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MANAGEMENT REPORT AND FINANCIAL STATEMENTS
KION GROUP AG 2013

KION GROUP AG
Wiesbaden

Management Report and
Financial Statements
as at 31st December 2013

This Management Report and Financial Statements
are available in German and English.

Only the content of the German version is authoritative.

Report of the Supervisory Board of KION GROUP AG

Dear shareholders,

The main event of 2013 for KION GROUP AG was its successful initial public offering (IPO) on 28 June 2013. The business built strongly on the excellent results achieved last year and continued to perform at the same high level.

The tasks and responsibilities imposed on the Supervisory Board by the law, the Company's articles of incorporation and the German Corporate Governance Code were fulfilled with dedication and great diligence. Because of KION GROUP AG's IPO last year, there were many important decisions, transactions requiring approval and other matters to be discussed and resolved upon.

Any references to KION GROUP AG and its Executive Board in the following section also apply to KION Holding 1 GmbH and its Executive Board, which were in existence prior to the change in legal form to a German public limited company (Aktiengesellschaft).

Monitoring and advisory role in dialogue with the Executive Board

The Supervisory Board advised the Executive Board on all significant matters relating to managing the Company and monitored the Executive Board's running of the Company. The Supervisory Board was fully involved in all major decisions affecting the Company from an early stage. There were particularly intensive discussions with the Executive Board on the subjects of funding, the IPO and corporate strategy. The Supervisory Board satisfied itself at all times that the Company was being managed lawfully and diligently.

At meetings of the full Supervisory Board, the performance of the business and decisions and transactions that were important for the Company were deliberated on and discussed extensively on the basis of the information provided to the Supervisory Board by the Executive Board. The Executive Board always notified the Supervisory Board of every significant aspect of these transactions promptly and in detail, providing both written and oral reports. As expected, the main issues covered in 2013 included the issues surrounding the Company's planned IPO, as well as the Company's ongoing business performance and financial position, planning of capital expenditure, the employment situation, risk management and the compliance programme. Other fundamental matters were corporate strategy and corporate planning, in particular in view of the new opportunities presented by the arrival of a new major shareholder, Weichai Power Co. Ltd.

The Executive Board gave the Supervisory Board sufficient notice of transactions that, according to the law, the Company's articles of incorporation or the rules of procedure for the Executive Board of KION GROUP AG, require the Supervisory Board's consent and presented them in good time for resolutions to be adopted. The Supervisory Board examined closely the resolutions proposed by the Executive Board and deliberated on them before adopting them. In urgent cases, written resolutions were also adopted.

The Executive Board informed the Supervisory Board about key financial data at regular intervals. Where there was a discrepancy between the actual figures and the business planning, the Executive Board always provided the Supervisory Board with a detailed oral and written explanation of what it considered the main reasons for the discrepancy. This enabled the Executive Board and Supervisory Board to discuss the reasons in detail and, if necessary, to take effective countermeasures.

In the periods between meetings of the Supervisory Board and between those of its committees, the chairman of the Supervisory Board, who is also chairman of the Executive Committee created following the change of legal form, remained in close contact at all times with the Chief Executive Officer. This ensured that the Supervisory Board was always kept up to date on the Company's performance and any significant transactions.

Main focus areas discussed by the Supervisory Board

In the first half of the year under review, the work of the Supervisory Board focused on the wide-ranging preparations for the Company's IPO. Its deliberations concentrated on general business conditions, economic conditions and financial parameters as well as corporate governance matters and, in particular, the areas of responsibility assigned to the Supervisory Board – such as Executive Board remuneration.

In 2013, the Supervisory Board and its committees dealt with these issues and made the necessary decisions at a total of 18 meetings (eight full Supervisory Board meetings and ten committee meetings). Some of the meetings were held in the form of conference calls. There were also several informal conference calls for the purpose of providing the members of the Supervisory Board or the relevant committees with advance information.

KION 2020 strategy

The Executive Board's plans for the further development of the Company's strategy, which are aggregated in the KION 2020 strategy, were a key area covered by the Supervisory Board's deliberations in 2013. The Executive Board provided the Supervisory Board and its Executive Committee with an initial introduction to the strategy on 26 September 2013. A workshop with the Executive Committee devoted exclusively to this subject was then held on 14 October 2013, followed by an extraordinary meeting of the Supervisory Board on 17 October 2013 and a status report for the Supervisory Board and Executive Committee on 19 December 2013. The Supervisory Board provided constructive support on corporate governance considerations relating to the 2020 strategy and followed them with great interest. Irrespective of the Supervisory Board's fundamental approval of the 2020 strategy, specific measures for implementing it still require the separate consent of the Supervisory Board as specified by the rules of procedure for the Executive Board.

Corporate governance and comply-or-explain statement

The regular reports by the Executive Board and some of the Company's managers on corporate governance matters were a further important subject area discussed by the Supervisory Board and its committees. As part of its monitoring duties in this area required by stock company law, the Supervisory Board itself ensured that it was informed about corporate governance matters by means of appropriate reports covering the internal control system, risk management, internal auditing and compliance within the Group, in addition to its Audit Committee dealing with these matters on a regular basis. The focus was on the processes in place as well as on the content of the individual reports. As a result of these reviews, the Supervisory Board was able to gain an impression of the processes in place and to examine and comment on the proposed developments in these areas.

As part of the further development of its procedures, the Supervisory Board and Audit Committee have decided to hold an extra Audit Committee meeting in the first quarter of every year in addition to its regular meetings. The meeting will address the following matters: the internal control system, risk management, internal audit and compliance within the Group. A further meeting of the full Supervisory Board is to take place in the fourth quarter of every year covering corporate strategy and its further development. The size of the committees and their effectiveness are also to be reviewed in the course

of 2014. The Supervisory Board will decide during the year whether a formal efficiency review should take place at the end of 2014.

In accordance with section 3.10 of the German Corporate Governance Code, the Executive Board and the Supervisory Board provide a detailed report on corporate governance in the KION Group in the corporate governance report. This is combined with the declaration on corporate governance pursuant to section 289a of the German Commercial Code (HGB) and is part of the Group Management report. The report is also available on the KION GROUP AG website at www.kiongroup.com/GovernanceReport. For details of the remuneration paid to the Executive Board and the Supervisory Board for 2013, please refer to the remuneration report which is included in the Management report of KION GROUP AG.

At its meeting on 19 December 2013, the Supervisory Board thoroughly discussed the KION Group's compliance with the recommendations of the current version of the German Corporate Governance Code. The Supervisory Board keeps a close eye on changes to the Code and to governance standards at international level. The Executive Board and Supervisory Board submitted a comply-or-explain statement pursuant to section 161 of the German Stock Corporation Act (AktG) on 19 December 2013. It has been made permanently available to the public on the KION GROUP AG website as part of the declaration on corporate governance. KION GROUP AG complied with all but one of the recommendations in the German Corporate Governance Code (version dated 13 May 2013) and intends to continue to do so in future. The only recommendation of the Code with which KION GROUP AG does not comply is the recommendation in section 3.8 (3) of the Code for an excess in the D&O insurance policies for members of the Supervisory Board. KION GROUP AG's articles of incorporation do not provide for this type of excess. The Company believes that such an excess is not typical at international level and would therefore make it considerably more difficult to find independent candidates, in particular candidates from outside Germany.

Matters relating to the Executive Board

The Supervisory Board appointed Hostettler, Kramarsch & Partner (hkp), a leading consultancy firm specialising in executive remuneration, to devise the remuneration system. The chairman of the Supervisory Board was provided with technical and administrative assistance in this matter, mainly by the Company's head of human resources and the head of the corporate office. The Executive Board exempted them from their other requirements to report to the members of the Executive Board in order to perform this task. External, professional legal advisors were also consulted. Following the transformation of KION Holding 1 GmbH into a public limited company with an Executive Committee, a number of meetings were held between the chairman of the Supervisory Board and the members of the Human Resources Committee. During these meetings, the structure of the remuneration system, the individual components of the remuneration package, the vertical and horizontal appropriateness and content of the pension scheme for Executive Board members, including the provisions in the Executive Board service contracts, were discussed in detail and prepared for resolution. At the Supervisory Board meeting on 25 April 2013, the relevant decisions were made and the chairman of the Supervisory Board was authorised to conduct negotiations with the Executive Board members. The members of the Human Resources/Executive Committee and the full Supervisory Board were constantly updated on the progress of the negotiations and the agreement reached with the Executive Board members. At the end of the negotiations, when the Supervisory Board had acknowledged the outcome, the chairman of the Supervisory Board signed the Executive Board service contracts on behalf of the Company.

Work of the committees

During the period prior to the change of the Company's legal form to a public limited company, KION Holding 1 GmbH had an audit committee, a human resources committee and a mediation committee pursuant to section 27 (3) of the German Codetermination Act (MitbestG).

On 29 May 2013, during the transformation of the Company into a public limited company, the Supervisory Board decided to maintain or create four committees at the future public limited company, the members of which were elected at a subsequent meeting of the Supervisory Board on 27 June 2013. The four committees were the Mediation Committee pursuant to section 27 (3) MitbestG, the Executive Committee, the Audit Committee and the Nomination Committee. These committees, but primarily the Executive Committee, prepare the matters to be discussed at the meetings of the full Supervisory Board. In individual cases, the Supervisory Board's decision-making powers were delegated to committees within the scope permitted by law. The chairman of the Supervisory Board is also chairman of all committees except the Audit Committee. At the meetings of the full Supervisory Board, the committee chairmen report in detail on the discussions of the committees to ensure that the Supervisory Board as a whole is always fully informed.

The Executive Committee consists of four shareholder representatives and four employee representatives. It prepares the meetings of the Supervisory Board and is responsible for ongoing matters between Supervisory Board meetings. The Executive Committee prepares the Supervisory Board's decisions relating to corporate governance, particularly amendments to the comply-or-explain statement pursuant to section 161 AktG reflecting changed circumstances and the checking of adherence to the comply-or-explain statement. It also prepares documents for the Supervisory Board when Executive Board members are to be appointed or removed and, if applicable, when a new Chief Executive Officer is to be appointed. Documents relating to any matters in connection with Executive Board remuneration are also compiled by the Executive Committee. The Executive Committee is also responsible for resolutions concerning the conclusion, amendment and termination of Executive Board employment contracts and agreements with Executive Board members governing pensions, severance packages, consultancy and other matters and for resolutions about any matters arising as a result of such contracts and agreements, unless they relate to remuneration. The responsibilities of the Executive Committee also include resolutions about the extension of loans to Executive Board members and parties related to them and to Supervisory Board members and parties related to them as well as resolutions to approve contracts with Supervisory Board members outside their Supervisory Board remit. The Executive Committee should – in consultation with the Executive Board – regularly deliberate on long-term succession planning for the Executive Board.

In 2013, the Executive Committee consisted of Dr John Feldmann (chairman), Dr Alexander Dibelius, Mr Joachim Hartig, Mr Denis Heljic, Mr Johannes P. Huth, Mr Thilo Kämmerer, Mr Jiang Kui and Mr Kay Pietsch. The Executive Committee met four times in 2013, including one conference call with the Audit Committee concerning the budget. The main topics discussed by the Executive Committee in 2013 were those concerning the Company's IPO and the KION 2020 strategy.

The Mediation Committee comprises the chairman of the Supervisory Board, his deputy, an employee representative and a shareholder representative. If the majority required by section 27 (3) and section 31 (3) MitbestG is not reached in a vote by the Supervisory Board on the appointment of an Executive Board member, the Mediation Committee must propose candidates for the post to the Supervisory Board within a month. The chairman of the Supervisory Board does not have a second vote on the candidates proposed.

In 2013, the Mediation Committee consisted of Dr John Feldmann (chairman), Mr Joachim Hartig, Dr Alexander Dibelius (until 27 June 2013) Mr Johannes P. Huth (from 27 June 2013) and Mr Kay Pietsch. The Mediation Committee did not need to be convened in 2013.

The Audit Committee comprises four members. Its purpose is to assist the Supervisory Board in performing its task of monitoring accounting processes, compliance matters and reporting. These responsibilities encompass monitoring the quality and integrity of the consolidated and separate financial statements (as well as related disclosures), the internal control mechanisms, risk management and the internal audit system. The Audit Committee also reviews the other work carried out by the independent auditor in connection with the audit and checks that the independent auditor is qualified and independent. It is also responsible for engaging the independent auditor, determining the focus of the audit and agreeing the fee. In addition, the Audit Committee exercises the rights in investee companies set forth in section 32 (1) MitbestG.

In 2013, the Audit Committee consisted of Mr Hans-Peter Ring (chairman, from 27 June 2013), Dr Martin Hintze (chairman, until 27 June 2013), Dr John Feldmann (from 27 June 2013), Dr Roland Köstler (until 30 September 2013), Mr Kay Pietsch, Ms Alexandra Schädler (from 2 October 2013) and Ms Silke Scheiber (until 27 June 2013). Mr Hans-Peter Ring is an independent financial expert within the meaning of sections 100 (5) and 107 (4) AktG. The Audit Committee met seven times in 2013, including one conference call concerning the status of the annual financial statements and one conference call with the Executive Committee concerning the budget. The main topics discussed by the Audit Committee in 2013 were the 2013 annual financial statements, the budget and the regular subject of the key elements of corporate governance within the Company.

The Nomination Committee comprises four members, all of whom are shareholder representatives. The Nomination Committee's only task is to propose candidates for the Supervisory Board to the Supervisory Board for proposal to the Company's Annual General Meeting when Supervisory Board elections are due.

In 2013, the Nomination Committee consisted of Dr John Feldmann (chairman), Dr Martin Hintze, Mr Jiang Kui and Ms Silke Scheiber. The Nomination Committee did not meet in 2013.

In 2013, the Human Resources Committee, whose tasks were taken over by the Executive Committee following the change of legal form, consisted of Mr Johannes Huth (chairman), Mr Joachim Hartig, Dr Alexander Dibelius and Mr Thilo Kämmerer. The Human Resources Committee only met twice before it was replaced by the Executive Committee. At these meetings the Human Resources Committee discussed the future Executive Board service contracts and the remuneration of the members of the Executive Board of the future KION GROUP AG.

All members of the Supervisory Board attended the Supervisory Board meetings in 2013 apart from the following exceptions: at one meeting, three members sent their apologies, at four meetings, two members sent their apologies and at two meetings, one member sent apologies. With the exception of three committee meetings at each of which one member sent apologies, all the members of the committees attended all the meetings of each committee.

Audit of the separate and consolidated financial statements

The Company's independent auditor, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, audited the Company's separate financial statements and management report and the consolidated financial statements and group management report for the year ended 31 December 2013. Various meetings were held between the chairman of the Audit Committee and the auditors in preparation for the appointment of the auditors. They concerned the suitability and independence of the auditors, the regular rotation of the auditing staff responsible, which was already apparent at the

time, and the question of fees. The forthcoming engagement of an auditing firm was discussed at the Audit Committee meeting on 13 March 2013 and there was an opportunity to speak to the auditors in person. The key audit issues were discussed and set out accordingly at the Audit Committee's meetings on 13 March 2013 and 7 August 2013. The auditors were appointed by the chairman of the Supervisory Board on 11 December 2013.

The auditor issued an unqualified opinion for the separate financial statements, including the management report, for the year ended 31 December 2013 and the consolidated financial statements, including the group management report, for the year ended 31 December 2013.

In order to inform the Supervisory Board and its Audit Committee as soon as possible about the progress of the audit and the individual audit findings that were emerging, the members of both committees were offered two telephone briefings in which the Executive Board and the auditor took part. The auditor submitted his report and the documents relating to the financial statements to the members of the Audit Committee on 3 March 2014 and to the members of the Supervisory Board on 13 March 2014. The report was discussed in depth at the Audit Committee meeting on 10 March 2014 and at the full Supervisory Board meeting on 20 March 2014, both of which were attended by the auditor. At both of those meetings, the auditor reported in detail on the main findings of the audit and provided comprehensive answers to all questions asked by members of the Audit Committee and Supervisory Board.

Having itself scrutinised the Company's separate financial statements, consolidated financial statements, management report and group management report for the year ended 31 December 2013, the Audit Committee then made one recommendation to the full Supervisory Board, which the chairman of the Audit Committee explained in more detail in his report to the meeting of the full Supervisory Board. On this basis, following further discussion of its own, the Supervisory Board approved the results of the independent audit at its meeting on 20 March 2014. Based on the final outcome of the Supervisory Board's own review, no objections were raised. The Supervisory Board approved the Company's separate financial statements and consolidated financial statements for the year ended 31 December 2013 prepared by the Executive Board. The annual financial statements were therefore adopted.

At its meeting on 20 March 2014, the Supervisory Board also discussed and approved the proposal made by the Executive Board that the distributable profit of KION GROUP AG be appropriated for the payment of a dividend of €0.35 per no-par-value share. In doing so, the Supervisory Board took account of the Company's financial situation and performance, its medium-term financial and capital-expenditure planning and the interests of the shareholders. The Supervisory Board believes the proposed dividend is appropriate.

Review of the dependency report

The Supervisory Board also considered the report compiled by the Executive Board of KION GROUP AG concerning the Company's relationships with affiliated entities (dependency report). The Company's auditors, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, reviewed the dependency report, compiled an auditors' report on it and issued the following unqualified opinion based on their completed audit:

Auditor's opinion

Based on our audit and evaluation conducted in accordance with our professional duties, we hereby confirm that

1. *the factual information presented in the report is accurate,*

2. *the consideration paid by the company in the legal transactions listed in the report was not inappropriately high,*
3. *in respect of the transactions listed in the report, there are no circumstances that would support an assessment materially different from the assessment made by the Executive Board.*

The dependency report and the auditors' report about it were submitted to all the members of the Supervisory Board in good time and were discussed in detail in the presence of the auditor at the Supervisory Board meeting on 20 March 2014. The auditor reported on the main findings of his audit. The Supervisory Board agreed with the findings of the audit. Based on the final outcome of its own review, the Supervisory Board did not raise any objections to the Executive Board's declaration at the end of the report concerning relationships with affiliated entities.

Conflicts of interest

The Company's Chief Executive Officer, Mr Gordon Riske, was appointed a non-executive director of Weichai Power with effect from 24 June 2013, for which the Supervisory Board had previously given its consent. Appropriate precautions have been taken to ensure that this role at a major shareholder of the Company does not create a conflict of interest relating personally to Mr Riske. Formal processes have been put in place to ensure that Mr Riske, in his role as a director of Weichai Power, will not be involved in transactions that could give rise to a conflict with the interests of the KION Group. Nor will Mr Riske will be involved in transactions relating to the exercise of voting rights by Weichai Power or its subsidiaries at the Annual General Meeting of KION GROUP AG. It has been ensured that Mr Riske maintains a strict separation between his duties as a director of Weichai Power and his duties as Chief Executive Officer of KION GROUP AG and that he fulfils all of his legal obligations in the interests of the Company.

In 2013, there were no other indications of any conflicts of interest concerning members of the Executive Board or Supervisory Board that are required to be disclosed immediately to the Supervisory Board and about which the Annual General Meeting must be informed.

Personnel changes

There were a number of changes to the membership of the KION GROUP AG and KION Holding I GmbH Executive Boards during 2013. Mr Klaus Hofer stepped down from the Executive Board of KION Holding 1 GmbH with effect from 10 January 2013. Mr Bert-Jan Knoef, Chief Executive Officer of STILL GmbH, Mr Theodor Maurer, Chief Executive Officer of Linde Material Handling GmbH, and Mr Ching Pong Quek, Chief Asia Pacific Officer joined the Executive Board of KION Holding 1 GmbH with effect from 11 January 2013.

There were also several changes on the Supervisory Board. Following the change of legal form, the size of the Supervisory Board was increased from twelve members to 16. At the Annual General Meeting on 5 June 2013, Mr Hans Peter Ring and Mr Tan Xuguang were also appointed as shareholder representatives with effect from 9 June 2013. Mr Denis Heljic and Mr Özcan Pancarci were appointed as employee representatives by the courts, with effect from 12 June 2013. Ms Alexandra Schädler was appointed by the courts as an employee representative to replace Dr Roland Köstler on the Supervisory Board, with effect from 2 October 2013.

The details of this report were discussed thoroughly at the Supervisory Board meeting on 20 March 2014 when it was adopted.

My colleagues on the Supervisory Board and I would like to thank the members of the Executive Board, the employees of KION GROUP AG and the Group companies in Germany and abroad for their commitment and outstanding achievements in 2013.

Dr John Feldmann
Chairman

KION GROUP AG, Wiesbaden

Management report for the financial year

1 January 2013 to 31 December 2013

A. Fundamentals of the Company

KION GROUP AG's successful stock market flotation on 28 June 2013 marked a new chapter in the Company's history. The IPO and a number of measures implemented in association with the flotation have resulted in substantial changes to the Group's organisational and shareholder structures.

On 4 June 2013 the name and legal structure of KION Holding 1 GmbH, the strategic management holding company of the KION Group (referred to below as KION Group), had been changed, the entity becoming KION GROUP AG. Since then, it has indirectly held all shares in KION Material Handling GmbH (formerly KION GROUP GmbH), the operational parent company of the KION Group.

A total of 17.5 million shares – equating to 17.7 per cent of the share capital – were placed with new investors. Of this number, 17.2 million new shares originated from a capital increase in June 2013, while 0.3 million shares came from the stake held by existing shareholder Superlift Holding S.à r.l., Luxembourg, as an over-allotment option.

KION GROUP AG's IPO was accompanied by two capital increases:

- Weichai Power (Luxembourg) Holding S.à r.l., Luxembourg, acquired 13.7 million new shares immediately before completion of the IPO. This company is a subsidiary of Weichai Power Co. Ltd. (referred to below as Weichai Power), which is a strategic anchor shareholder of KION GROUP AG.
- Also before completion of the IPO, Superlift Holding S.à r.l., Luxembourg, (referred to below as Superlift Holding) acquired 4.0 million shares by way of converting an existing loan and transferring the equity investment in Superlift Funding S.à r.l., Luxemburg (referred to below as Superlift Funding) into equity. The shareholders of Superlift Holding are investment funds that are advised by group companies of The Goldman Sachs Group, Inc. (Goldman Sachs) and companies that are advised by or affiliated with Kohlberg Kravis Roberts & Co. L.P. (KKR).

As far as the Company is aware, Weichai Power indirectly held a stake of 30.0 per cent, while Superlift Holding held 48.6 per cent as at 31 December 2013.

The KION Group has a business model that incorporates products and services and covers every step of the value chain so that it can offer comprehensive support to customers worldwide: product development, manufacturing, sales and logistics, spare parts business, truck rental and used trucks, financial services and system and software solutions. The KION Group earns most of its consolidated revenue from the sale of industrial trucks.

The KION Group operates a multi-brand strategy involving the three global brands Linde Material Handling, STILL and Baoli plus the three regional brands Fenwick, OM STILL and Voltas MH.

B. Business activities

KION GROUP AG is a holding company without any operating activities of its own. It holds all the shares in KION Holding 2 GmbH. In turn, KION Holding 2 GmbH is the sole shareholder of KION Material Handling GmbH. KION Material Handling GmbH acts as the direct management holding company of Linde Material Handling GmbH, Aschaffenburg, which holds almost all of the shares in the companies of the KION Group.

The Company is therefore indirectly dependent on the opportunities, risks and financial performance of its subsidiaries as well as on the economic environment in which the subsidiaries operate.

C. Economic environment

Macroeconomic conditions

The global economy grew by 2.2 per cent in 2013. This was slightly less than in the previous year, which was due, above all, to a slower rate of growth in many emerging markets. Although the mood in Europe and the United States brightened considerably in the second half of the year, global economic growth was sluggish.

Economic performance in the European Union stabilised over the course of the year. Despite contracting significantly in the first quarter, gross domestic product (GDP) over the year as a whole reached the same level as in 2012. Germany and the United Kingdom were the main drivers of the recovery in western Europe during the year. Negative growth rates in Italy and Spain and increasing problems in France demonstrate that the eurozone has not yet emerged from the crisis. This also held back growth in neighbouring countries. Many eastern European countries, including Russia, achieved lower rates of growth than in 2012. Among the Asian emerging markets, China registered growth at almost the same level as in the previous year and quickly overcame a short-lived period of economic weakness. Other Asian markets, including Indonesia and Thailand, generated weaker growth than in 2012. Brazil continued along its upward trajectory, although the pace of growth was relatively slow. Despite muted growth, emerging markets remained the economic powerhouses of the global economy with gains of 4.5 per cent.

Demand for industrial trucks is largely driven by investment confidence and world trade volumes as well as GDP growth. Like GDP, worldwide spending on capital equipment increased only cautiously as ongoing uncertainty about growth prospects have continued to dampen companies' willingness to invest, particularly in the eurozone. Global trade in 2013 was once again well behind the medium-term trend.

Sectoral conditions

Sales markets

Measured in terms of the number of new trucks ordered, the global market for industrial trucks expanded by 6.9 per cent in 2013, exceeding the threshold of one million trucks for the first time. This more than made up for the decline of 3.1 per cent in the previous year, despite subdued macroeconomic conditions. Diesel trucks (up by 8.0 per cent) and warehouse technology products (up by 7.1 per cent) grew at a similarly high rate, whereas growth in electric forklift trucks (up by 3.6 per cent) was not quite as strong. The bulk of the unit increase (47.6 per cent) was accounted for

by the Chinese market, which generated growth of 14.4 per cent. The KION Group estimates that the main beneficiaries of this growth were the value and economy price segments, predominantly diesel trucks. North America also made a substantial contribution to the global market's recovery, registering growth of 10.9 per cent.

Growth rates in the KION Group's main sales markets varied in 2013. Western Europe, which had seen a decline of 7.1 per cent in 2012, remained flat in 2013 with growth of just 0.3 per cent – despite stabilisation and a slight recovery towards the end of the year. The main reason for this was the marked weakness of the market in Germany, which experienced a 4.3 per cent decline in the number of trucks ordered, above all due to declining demand in the first half of the year. However, the markets in France, Italy and the United Kingdom were largely stable. Eastern Europe grew by a substantial 7.8 per cent, although the biggest individual market, Russia, was unable to maintain its pace from the previous year and recorded growth of just 0.7 per cent. China generated double-digit growth, picking up pace as the year progressed, while the other Asian emerging markets grew at comparatively moderate rates. By contrast, the material handling market in Brazil – the largest individual market in South America – enjoyed a boom although it partly stemmed from special government programmes designed to boost investment. Measured in terms of the number of trucks, order intake grew by about a third in Brazil.

Procurement markets

Commodity prices continue to have a direct impact on around a quarter of the cost of the materials needed to manufacture an industrial truck in the KION Group.

The average price over the year for steel, the most important commodity, fell significantly compared with 2012 owing to weaker economic conditions. Prices for lead-acid batteries, which make up a significant proportion of the total price of electric trucks, are particularly dependent on lead prices on the metal exchanges. However, these price fluctuations are borne by customers owing to the way in which contracts are formulated. Manufacturing costs are less influenced by the prices for copper and rubber, which were also down year on year. Energy prices were slightly lower in 2013 than they had been in the previous year. The price of Brent crude oil, which is quoted in US dollars and affects the price of other fuels and plastic, went up during 2013 owing to the crisis in Syria, although the average price over the year was 5.8 per cent below the price for the previous year.

D. Management system

KION GROUP AG monitors its economic performance on an ongoing basis using net profit/loss as a key performance indicator (KPI). This KPI is determined each month and made available to the Executive Board in a report. This enables the management team to take prompt corrective action in the event of variances compared with target figures.

E. Financial performance

As KION GROUP AG itself does not carry out any operating activities, it does not generate any revenue.

The increase of €17,888 thousand in other operating income was largely attributable to cost allocations within the Group because the expenses associated with the IPO were for the most part charged on to the subsidiaries Linde Material Handling GmbH and KION Material Handling GmbH.

Personnel expenses rose to €6,524 thousand (2012: €0 thousand), resulting from the employment by the Company of five Executive Board members for the first time from the change in the Company's legal form on 4 June 2013.

Other operating expenses went up by €9,618 thousand to €20,798 thousand and largely comprised costs for external services and consultancy in connection with the IPO.

The decrease in interest expense and similar charges of €27,554 thousand resulted from the conversion to equity of the shareholder loan from Superlift Holding on 27 December 2012; interest of 5.5 per cent had been payable on this loan in 2012 (€27,653 thousand). Interest expense and similar charges recognised in 2013 of €99 thousand (2012: €0 thousand) arose from unwinding the discount on the pension provisions.

The income from the profit-transfer agreement with proplan Transport- und Lagersysteme GmbH amounted to €134 thousand (2012: €28 thousand). The expenses from the transfer of losses of KION Holding 2 GmbH came to €3 thousand (2012: €2 thousand).

Other interest and similar income relates to the interest income from the loan from Superlift Funding paid in as a non-cash capital contribution on 11 June 2013 in an amount of €2,645 thousand plus bank interest income of €199 thousand (2012: €0 thousand).

A total net loss of €6,559 thousand was generated in the year under review. In 2012, the net loss for the year had been as much as €38,806 thousand.

F. Financial position

KION GROUP AG's ability to meet its payment obligations is ensured through its inclusion in the Group funding made available by Linde Material Handling GmbH (LMH). LMH provides KION GROUP AG with the main funds required for operational activities and pools the Group companies' excess liquidity.

LMH is funded by a loan from a group of international banks and investors (senior facilities agreement, SFA) and via one of the companies included in the consolidated financial statements, KION Finance S.A., Luxembourg. KION Finance S.A., Luxembourg, issued corporate bonds for €500,000 thousand and €650,000 thousand in April 2011 and February 2013 respectively. Of the bond with a total par value of €500,000 thousand, €325,000 thousand carries a fixed interest rate of 7.875 per cent p.a. The variable portion of €175,000 thousand was repaid in full on 19 July 2013. Of the bond with a total par value of €650,000 thousand, €450,000 thousand carries a fixed interest rate of 6.75 per cent p.a., while €200,000 thousand carries a floating interest rate based on three-month Euribor plus a margin of 4.5 percentage points. The corporate bonds are due to mature in April 2018 and February 2020 respectively. KION Finance S.A. made the proceeds from the issue of the corporate bonds available to the KION Group as tranche H under the SFA.

On 5 July 2013, the KION Group used the inflows from the IPO at the end of June 2013 and the capital increases subscribed by Weichai Power, along with part of the new loan facility and existing cash reserves, to repay the long-term bank liabilities resulting from the SFA totalling €1,078,089 thousand. In connection with the IPO, the KION Group agreed a new revolving loan facility with a group of banks under the SFA for €1,045,000 thousand with a term to maturity of five years after the IPO. Of this amount, €184,359 thousand had been drawn down as at the reporting date.

Among other things, the loan facility and the contractual conditions relating to the issuance of the corporate bonds require compliance with certain covenants. The loan facility also requires compliance

with specific financial covenants during the term of the agreement. Non-compliance may, for example, give lenders the right to terminate the loan or permit bondholders to put the corporate bonds back to the issuer prior to their maturity date. All financial covenants were comfortably complied with in the past financial year. In addition, the ending of the acquisition finance meant that many restrictions were lifted.

KION GROUP AG has no liabilities to banks or other external lenders.

G. Net assets

At the end of 2013, the total assets of KION GROUP AG had increased by approximately 65 per cent year on year to €2,155,570 thousand. This was primarily attributable to the increase in financial assets from €1,115,933 thousand to €2,007,002 thousand. The increase in financial assets resulted from the capital injection of €890,000 thousand at KION Holding 2 GmbH and the addition of shares in Superlift Funding S.à r.l., Luxembourg, worth €1,069 thousand under the capital contribution agreement dated 11 June 2013.

Despite the net loss of €6,559 thousand reported for 2013, equity increased to €2,147,515 thousand as a consequence of the inflows from the IPO and the associated capital increases. The equity ratio as at the reporting date was therefore 99.6 per cent (31 December 2012: 99.3 per cent).

The rise of €3,150 thousand in provisions to €6,914 thousand mainly resulted from the increase in personnel provisions. Personnel provisions as at 31 December 2012 had amounted to €0 thousand because KION GROUP AG only made the first appointments to its Executive Board in 2013 when five members were appointed.

H. Overall assessment of the economic situation

As a holding company without any operating activities of its own, KION GROUP AG is indirectly dependent on the earnings and economic performance of its subsidiaries. The Group can look back on a very solid 2013. The net financial income generated by the Company in 2013 was significantly improved as a result of the financial restructuring in the Group. This improvement enabled the Company to reduce the net loss for the year by €32,248 thousand to €6,559 thousand.

Despite challenging economic conditions, particularly in western Europe, and a marked reluctance to invest during the first nine months of the year, the KION Group maintained its strong market position over the year as a whole. A vastly improved funding structure provides greater flexibility for generating profitable growth in the future. The Group has also improved its liquidity position.

I. Events after the reporting date

On 18 December 2013, Weichai Power exercised its option to acquire a further 3.3 per cent of the shares of KION GROUP AG from the stake held by KKR and Goldman Sachs, thereby increasing its stake from 30.0 per cent to 33.3 per cent. The shares were transferred on 15 January 2014. Upon completion of this transaction, Weichai Power received a mutual right of first offer from KKR and Goldman Sachs which it can exercise in the event that these two shareholders put further shares up for sale.

On 7 January 2014, KKR and Goldman Sachs sold 10.7 million shares – 10.8 per cent of KION shares – on the stock exchange at a price of €29.50 per share. Following this step, KKR and Goldman Sachs are now prohibited from selling shares until 7 April 2014. As result of Weichai exercising its option and

of the placement of shares, the stake held by KKR and Goldman Sachs has declined from 48.6 per cent to 34.5 per cent. At the same time, the free float increased to 31.1 per cent.

J. Opportunity and risk report

As a holding company without any operating activities of its own, KION GROUP AG participates indirectly in the following potential opportunities, and is indirectly exposed to the following risks, through the earnings and economic performance of its subsidiaries and thus the KION Group.

J.1 Opportunity report

Market opportunities

The economy as a whole may perform better than expected in 2014. For example, the eurozone might stabilise at a faster rate than predicted by economic research institutes. This could also have a positive impact on growth rates in eastern Europe and other emerging markets. Moreover, circumstances may occur in the wider market at any time – such as quality problems at competitors or the effects of consolidation – that boost demand for products from the KION Group brands. New, unforeseen regulatory initiatives could be launched, for example the tightening of health and safety regulations or emissions standards, that would push up demand for the premium products offered by the KION Group brands. Average prices for procuring commodities over the year may be cheaper than anticipated.

Medium- to long-term market opportunities are presented, in particular, by:

- growing demand for intralogistics products and services as a consequence of globalisation, industrialisation and fragmentation of supply chains;
- high demand for replacement investments, especially in developed markets;
- the trend towards outsourcing service functions to industrial truck manufacturers;
- the trend towards trucks powered by electric motors – one of the KION Group's particular strengths.

Strategic opportunities

The realisation of strategic opportunities is already largely reflected in the expectations regarding the KION Group's financial performance in 2014. Nonetheless, its actual performance may be even more positive if the effects of individual measures exceed expectations. New strategic opportunities that were not part of the planning may arise over the course of the year, for example acquisitions and strategic partnerships.

The KION Group's medium- to long-term strategic opportunities arise, in particular, from:

- strengthening of its market-leading position in core western European markets, especially in view of its leading technology and high proportion of customer-specific fittings;
- expansion of the service portfolio at every stage of the product lifecycle, taking advantage of the high number of trucks in use;

- harnessing of market potential in fast-growing regions;
- expansion of business in North America.

Business-performance opportunities

The expected consequences of the planned measures for increasing efficiency and restructuring – such as the closure of the plant in Merthyr Tydfil (Wales, United Kingdom), which was the final phase in the restructuring of the European production sites – have also been incorporated into the 2014 forecast. Nevertheless, effects might occur that are better than had been expected.

The following occurrences may lead to profitability increases in the medium term:

- ongoing efficiency increases at production sites;
- use of global development capacities and product ranges;
- modular and platform strategy for products across the Group.

J.2 Risk report

J.2.1 Principles of risk management

To ensure that the risk management systems are fully integrated into the KION Group's overall financial planning and reporting process, they are located in the Group Controlling function. The procedures governing the KION Group's risk management activities are laid down in internal risk guidelines. For certain types of risk, such as financial risk or risks arising from financial services, the relevant departments also have guidelines that are specifically geared to these matters and describe how to deal with inherent risks. Risk management is organised in such a way that it directly reflects the structure of the Group itself. Consequently, risk officers supported by risk managers have been appointed for each company and each division. A central Group risk manager is responsible for the implementation of risk management processes in line with procedures throughout the Group. His or her remit includes the definition and implementation of standards to ensure that risks are captured and evaluated.

The risk management process is organised on a decentralised basis. Firstly, a groupwide risk catalogue is used to capture the risks attaching to each company. Each risk must be captured individually. If the losses caused by a specific risk or the likelihood of this risk occurring exceed a defined limit, the KION Group's Executive Board and its controlling function are notified immediately. Each risk is documented in a specially developed module within the internet-based reporting system that is used for the entire planning and reporting process. Risks affecting more than one Group company, such as market risks, competition risks, financial risks and risks arising from financial services are not recorded individually but are instead evaluated at Group level. Consequently, such risks are not quantified.

The scope of consolidation for risk management purposes is the same as the scope of consolidation for the consolidated financial statements. The risks reported by the individual companies are combined to form divisional risk reports as part of a rigorous reporting process. To this end, minuted risk management meetings are held once a quarter. Moreover, material risks are discussed at the quarterly business review meetings. The divisional risk reports are then used to compile an aggregate risk portfolio for the KION Group as a whole. To support this, the relevant departments of the holding company are consulted each quarter in order to identify and assess risk – particularly Company-wide, cross-brand risk affecting areas such as treasury, purchasing, tax, human resources and financial services. The Executive Board of KION GROUP AG and the Supervisory Board's Audit Committee are

informed of the Group's risk position once a quarter. The Internal Audit department audits the risk management system at regular intervals.

J.2.2 Accounting-related internal control system

Principles

The main objectives of the special accounting-related internal control system are to avoid the risk of material misstatements in financial reporting, to identify material mismeasurement and to ensure compliance with the applicable regulations and internal instructions. This includes verifying that the financial statements and management reports comply with the relevant accounting standards. There can, however, be no absolute certainty that these objectives are achieved in full and at all times.

Material processes and controls in the accounting system

For its (Group) accounting process, the Company has defined suitable structures and processes within its internal control and risk management system and implemented them in the organisation.

Changes to the law, accounting standards and other pronouncements are continually analysed with regard to their relevance and effect on the single-entity financial statements and management report; the relevant changes are then incorporated into the internal policies and systems.

The accounting-based internal control and risk management system encompasses defined control mechanisms, automated and manual reconciliation processes, separation of functions, the double-checking principle and adherence to policies and instructions.

The employees involved in the accounting process receive regular training in this field. Central points of contact are made available to provide assistance in the overall accounting process. All postings are managed centrally and documented. Manual checks are carried out in addition to the automated controls built into the system. The entire accounting process contains a number of specific approval stages, for which extensive plausibility checks have been set up. Employees with the relevant expertise provide support on specialist questions and complex issues. The central Internal Audit department also checks, among other things, the reliability of the accounting work by the subsidiaries in Germany and abroad. It focuses primarily on the following aspects:

- compliance with legal requirements, directives from the Executive Board, other policies and internal instructions;
- integrity and effectiveness of the internal control systems for avoiding financial losses;
- correct performance of tasks and compliance with business principles;
- correctness of the accounting (and of the financial reporting that is based on the accounting) in terms of form and substance.

Internal control mechanisms and ongoing analysis of the regulatory framework enable any risks that might jeopardise compliance of the separate financial statements and management report with accounting standards to be identified as soon as possible so that appropriate countermeasures can be taken. Such risks form part of the KION Group's aggregate risk profile and are classified as operational risk.

J.3 Types of risk

Market risk and competition risk

J.3.1 Market risks

Market risk can arise when the economy as a whole or a particular sector does not perform as well as had been anticipated in the outlook. Cyclical fluctuations in macroeconomic activity affect the market for industrial trucks. Customers' decisions on whether to invest, particularly in new trucks, depend to a large degree on the macroeconomic situation and conditions in their particular sector. During an economic downturn, customers tend to postpone their purchases of new trucks. Although demand for services is less cyclical, it correlates with the degree of utilisation in the truck fleet – which usually declines during difficult economic periods. As the KION Group can only adjust its fixed costs to fluctuations in demand to a limited extent, reductions in revenue impact on earnings.

Despite the KION Group's strong growth in emerging markets, the proportion of revenue it earns in the eurozone remains high. As a result, the market conditions that prevail there impact significantly on the KION Group's financial performance. Although the economic situation has stabilised somewhat, the eurozone remains susceptible to disruption. Doubts surrounding the stability of the financial system and the ability of the single currency to survive have not been allayed, either. Overall, these factors could reduce eurozone customers' willingness to invest and consequently the demand for the KION Group's products.

Slower than forecast macroeconomic growth in emerging markets could also have a negative impact on global trade volumes and thus on growth in the material handling market.

Various measures aimed at making cost structures more flexible – such as the consolidation of production facilities – help to contain the earnings risk arising from reductions in revenue caused by economic conditions. Diversification of the customer base in terms of industry and region as well as expansion of service activities also play a role in mitigating risk. Moreover, the KION Group closely monitors the market and its competitors so that it can identify market risks at an early stage and adjust its production capacities in good time. Besides global economic growth, the KION Group also analyses exchange rates, price stability, the consumer and investment climate, foreign trade activity and political stability in its key sales markets. The risk management function continually analyses the possible impact of the situation in the eurozone on the Group's financial position and financial performance. In addition to ongoing screening and monitoring, the risk reports regularly include a separate assessment of the risks arising from the sovereign debt crisis.

J.3.2 Competition risks

Competition risk describes the risk that growing competitive pressure will prevent the KION Group from achieving its predicted margins and market share. The markets in which the KION Group operates are characterised by strong competition, often price-driven. Manufacturers from Asia have cost advantages in production due to the currency situation and also because local labour costs are lower. Competition is therefore fierce, particularly in the lower and middle price segments, and the impact is especially strong in emerging markets. Building on their local competitive advantages, Asian manufacturers – above all those in China – are also looking for opportunities to expand. Although the high quality expectations and service needs of customers in developed markets present a barrier to growth for many of these manufacturers, this situation is likely to intensify competitive pressures in future.

It is also conceivable that competitors will join forces and their resulting stronger position will be detrimental to the KION Group's sales opportunities. Moreover, predictions of higher volumes and margins may lead to overcapacity, which would put increased pressure on prices.

Although the KION Group's strengths have enabled it to charge appropriate prices until now, it is taking a variety of steps to contain competition risk. Alliances, partnerships, acquisitions and other

measures are playing an increasing role in improving the KION Group's competitiveness in terms of resources, market access and product range. The steps that the KION Group is taking to mitigate its competition risk also include making its plants more efficient and securing low-cost sources of supply.

The KION Group also continually evaluates its options for strengthening and consolidating its position in emerging markets, in particular through strategic partnerships, the creation of joint ventures or acquisition of local manufacturers. One of the risks of such alliances and acquisitions is that the expected benefits will materialise only partly or not at all. For example, the organisational integration of new units can harm financial performance for a variety of reasons. It is also possible that a partner will collaborate with competitors if exclusivity agreements are not in place.

Other risks arise as a result of constant changes in the Company's political, legal and social environment. Because it operates in countries in which the political or legal situation is uncertain, the KION Group is exposed to the consequent risk of government regulation, capital controls and expropriations. The KION Group mitigates such strategic risks by, for example, carrying out in-depth market research, conducting thorough evaluation procedures to assess political and economic conditions and drafting contracts appropriately.

Risks along the value chain

J.3.3 Research and development risk

The KION Group's market position and business performance depend to a large extent on its ability to remain a leading provider of technology. This requires the Group to continually develop products that meet customer expectations and comply with changing regulatory and technological requirements. To this end, the KION Group must anticipate customers' needs and quickly bring new products to market. If the Company does not succeed in doing this, its technological and competitive position could be compromised in the long term.

The innovations developed by the KION Group are comprehensively protected by intellectual property rights, in particular patents. Nevertheless, there is always the possibility that products or product components will be imitated. There is also a risk that patent applications will not be successful.

The KION Group contains research and development risk by focusing firmly on customer benefit when developing products. Close collaboration between sales and development units ensures that customer needs are incorporated into the development process on an ongoing basis.

J.3.4 Procurement risk

Procurement activities constitute a potential risk for the KION Group in terms of the lack of availability of parts and components (for logistics or quality reasons) and the rising cost of raw materials, energy, base products and intermediate products. As a result, there is always the possibility that the KION Group will face backlogs in the supply of individual raw materials and components. KION obtains some of its key components, such as combustion engines, tyres, high-performance forged and electronic parts, from a limited number of core suppliers.

The risk of supply bottlenecks – for example in the event of a shortage of raw materials or financial difficulties at core suppliers – cannot be ruled out in future. The KION Group mitigates this risk through appropriate diversification of its supplier structure in the context of a global procurement organisation. In addition, the supplier development department, which focuses on improving suppliers' production processes, helps suppliers to ensure that their processes are cost-efficient and offer excellent quality. To build its industrial trucks, Linde Material Handling requires hydraulic components that are manufactured by the affiliated company Linde Hydraulics. Because LMH is highly dependent on these components, their supply is secured by detailed long-term contractual agreements. LMH also has access to patents and other intellectual property rights that are important to its business activities.

Price changes present another procurement-related risk. In 2013, around 26.4 per cent of the cost of materials for new trucks was directly influenced by changes in commodity prices. Moreover, conditions

on the commodity markets typically affect component prices after a delay of three to six months. The KION Group endeavours to pass on price increases to customers but cannot always do so entirely due to market pressures.

J.3.5 Production risks

Production risks are largely caused by quality problems, possible operational disruptions or production downtime at individual sites. In such cases, the KION Group's closely integrated manufacturing network presents a heightened risk to its ability to deliver goods on time. There is also a risk that structural measures and reorganisation projects will not be implemented owing to disruption of production or strikes. Delays in delivery or a rise in the number of complaints could harm the KION Group's premium positioning and, as a result, its financial situation.

To mitigate these risks, the KION Group carries out preventive maintenance, implements fire protection measures, trains its staff and builds a pool of external suppliers. The Company has taken out a commercially appropriate level of insurance cover against loss. Quality assurance is a high priority throughout the value chain and reduces possible quality-related risks arising from the products and services provided. The KION Group mitigates its quality-related risks significantly by applying rigorous quality standards to its development activities, conducting stringent controls throughout the process chain and maintaining close contact with customers and suppliers. To mitigate risks resulting from restructuring measures, the KION Group undertakes such measures only after a comprehensive planning process and works closely with employee representatives to ensure HR measures are implemented with the minimum possible social impact.

J.3.6 Sales risks

The main sales risks – besides a drop in revenue caused by market conditions – result from dependence on individual customers and sectors. For example, it is possible that customers would postpone or cancel orders during a period of economic difficulty; however, there have been no material cancellations over the last few years. It is also conceivable that customers could face a liquidity shortfall and therefore be unable to fulfil their payment obligations immediately or even at all. Currently, there is little dependence on individual sectors in the KION Group's customer portfolio and the Group's reliance on individual customers remains low. Its business is also highly diversified from a regional perspective. In addition, the KION Group supplies companies of all sizes. Experience has shown that the KION Group's exposure to the risk of possible payment defaults is low, but this risk can be further mitigated by recovering any collateral.

J.3.7 IT risks

Tight integration between the different sites and with other companies means that the KION Group also relies on its IT systems working flawlessly. The KION Group undertakes ongoing further development of a reliable, extendable and flexible IT system environment with the aim of countering any IT-related risks that may arise from the failure of IT systems and IT infrastructure. Internal IT resources are pooled in KION Information Management Services GmbH, which has well-established processes for portfolio management and project planning and control. Independent external audits are conducted to provide additional quality assurance. Various technical and organisational measures protect the data of the KION Group and its Group companies against unauthorised access, misuse and loss. These measures include procedures to validate and log access to the Group's infrastructure.

J.3.8 Financial risk

Group Treasury is responsible for ensuring that sufficient financial resources are always available for the KION Group's international growth. The main types of financial risk managed by Group Treasury, including risks arising from funding instruments, are liquidity risk, currency risk, interest-rate risk and counterparty risk. Credit risk consists solely of counterparty risks attaching to financial institutions. Risk management procedures issued by Group Treasury stipulate how to deal with the aforementioned risks.

The KION Group reduced its financial risk considerably during the year under review by increasing its equity and repaying the acquisition finance in full. Long-term borrowing by the KION Group consists of two secured corporate bonds with a total volume of €975.0 million, which are due to mature in 2018 and 2020, and a revolving loan facility of €1,045.0 million, which will mature in mid-2018. Taking into account the other loan obligations of individual foreign companies and contingent liabilities, €184.4 million of this amount was being utilised in the form of loans and guarantees as at 31 December 2013. This meant that undrawn credit lines amounted to €860.6 million. Risk arising out of the more favourable lending conditions that have been agreed was not regarded as material as at 31 December 2013. The more favourable conditions, which were agreed as part of the IPO, relate in particular to the restrictions in respect of complying with financial covenants and upper limits for certain transactions and in respect of the obligation to submit special regular reports. The KION Group complied with all the lending covenants in the reporting year.

The Company generally refers to credit ratings to manage counterparty risk when depositing funds with a financial institution.

The KION Group only uses derivatives to hedge underlying operational transactions; they are not used for speculative purposes. It is exposed to currency risk because of the high proportion of its business conducted in currencies other than the euro. Normally, at least 50 per cent of the currency risk attaching to the planned operating cash flows based on the liquidity planning is hedged by currency forwards in accordance with the relevant procedures. The interest-rate swaps and currency swaps that had been used in 2012 to hedge interest-rate risk and currency risk arising out of acquisition finance were terminated in connection with the repayment of this finance by the middle of 2013.

Group Treasury rigorously complies with and monitors the strict separation of functions between the front, middle and back offices. Each Group company's liquidity planning is broken down by currency and incorporated into the KION Group's financial planning and reporting process. Group Treasury checks the liquidity planning and uses it to determine the funding requirements of each company.

The funding terms and conditions faced by the lenders themselves (manifested, for example, in the payment of liquidity premiums on interbank lending) may result in a future shortage of lines of credit and/or increased financing costs for companies. However, the Group currently does not expect any further changes in its lines of credit or any excessive increases in margins.

The individual Group companies directly manage counterparty risks involving customers. These counterparty risks have not changed significantly, despite the financial crisis. Each individual Group company has established a credit management system for identifying customer-related counterparty risks at an early stage and initiating the necessary countermeasures. Analysis of the maturity structure of receivables is an integral element of monthly reporting.

J.3.9 Risks arising from financial services

The KION Group's leasing activities mean that it may be exposed to residual value risks from the marketing of trucks that are returned by the lessee at the end of a long-term lease and subsequently sold or re-leased. Residual values in the markets for used trucks are therefore constantly monitored and forecast. The KION Group regularly assesses its aggregate risk position arising from financial services. The risks identified are immediately taken into account by the Company in the costing of new leases by recognising writedowns or valuation allowances and adjusting the residual values. Risk-mitigating factors include the growing demand for used trucks, which stabilises the residual values of the KION Group's industrial trucks. The majority of the residual values have underlying remarketing agreements that transfer any residual-value risk to the leasing company. This had a positive impact on the 2013 financial results. Group-wide standards to ensure that residual values are calculated conservatively, combined with an IT system for residual-value risk management, reduce risk and provide the basis on which to create the transparency required.

The KION Group mitigates its liquidity risk and interest-rate risk by ensuring that most of its transactions and funding loans have matching maturities and by constantly updating its liquidity planning. Long-term leases are primarily based on fixed-interest agreements. The credit facilities

provided by various banks and an effective dunning process ensure that the Group has sufficient liquidity.

In order to exclude currency risk, the KION Group generally funds its leasing business in the local currency used in each market.

Because of low default rates, counterparty risk has not been significant to date in the Group. The KION Group has not identified any material changes between 2012 and 2013. The Group also mitigates any losses from defaults by its receipt of the proceeds from the sale of repossessed trucks. In addition, receivables management has been improved by enhancing the dunning process. The credit portfolio management system was updated during 2013. Besides the design of the business processes, it also encompassed the risk management and control processes.

Moreover, the KION Group offers the majority of financial services indirectly via selected financing partners that bear the risks of the finance transaction. As far as these financial services are concerned, the KION Group bears the counterparty risk in under 3 per cent of cases.

J.3.10 Human resources risks and legal risks

The KION Group relies on having highly qualified managers and experts in key roles. If they left, it could have a long-term adverse impact on the Group's prospects.

That is why the KION Group actively engages in HR work aimed at identifying and developing young professionals with high potential who already work for the Company and retaining them over the long term, thereby enabling succession planning for key roles across the Group. The KION Group also positions itself in the external market as an employer of choice. This will enable it to make strategic additions to its portfolio of existing staff and, in this way, avert the risk of possibly losing expertise and thereby becoming less competitive.

Restructuring measures may result in a risk of strikes and reactions of other kinds by the workforce. As demonstrated several times in the past, this risk is contained by collaborating closely with employee representatives and, if job losses are necessary, taking comprehensive steps to ensure they are achieved with the minimum possible social impact.

The legal risks arising from the KION Group's business are typical of those faced by any company operating in this sector. The Group companies are a party in a number of pending lawsuits in various countries. The individual companies cannot assume with any degree of certainty that they will win any of the lawsuits or that the existing risk provision in the form of insurance or provisions will be sufficient in each individual case. However, the KION Group is not expecting any of these existing legal proceedings to have a material impact on its financial position or financial performance. These lawsuits relate, among other things, to liability risks, especially as a result of legal action brought by third parties because, for example, the Company's products were allegedly faulty or the Company allegedly failed to comply with contractual obligations. Further legal risk may arise as a result of the environmental restoration of sites that have been shut down in recent years, for example work required due to contamination. Any damage to the environment may lead to legal disputes and give rise to reputational risk.

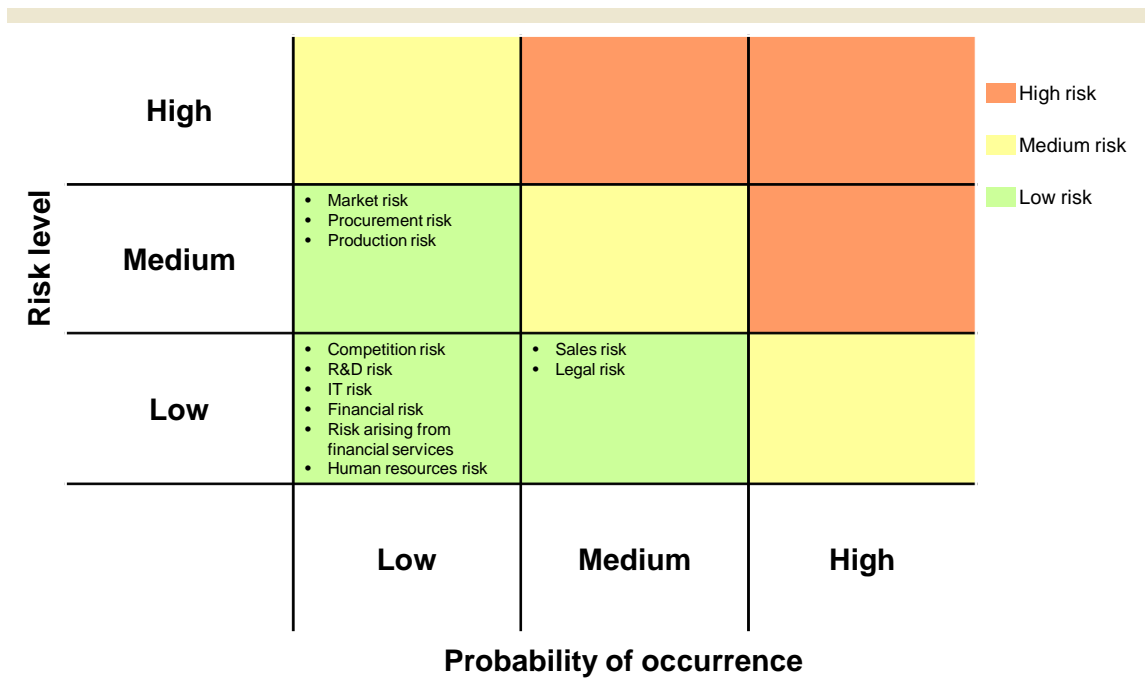
The company has taken measures to prevent it from incurring financial losses as a result of these risks. Although legal disputes with third parties have been insignificant both currently and in the past, the Company has a centralised reporting system to record and assist pending lawsuits. In addition to the high quality and safety standards applicable to all users of the Company's products, with which it complies when it develops and manufactures the products, it has also taken out the usual types of insurance to cover any third-party claims. These issues are also tackled by teams whose members come from a variety of functions. The aim of the teams is to identify and avoid risks, for example the risks arising from inadequate contractual arrangements. A further objective of this cooperation across functions is to ensure compliance with mandatory laws, regulations and contractual arrangements at all times.

Owing to the KION Group's export focus, legal risk and reputational risk arise due to the numerous international and local export controls that apply. The Company mitigates these risks with a variety of measures. Consequently, export controls are an important part of the compliance activities carried out by the Group companies.

J.4 Aggregate risk

In 2013, the KION Group's aggregate risk position improved substantially compared with the previous year due to repayment in full of the acquisition finance. With regard to 2014, the risks in the risk matrix below will be continually observed and evaluated. For example, we consider the probability of market risk materialising as low because of the fairly positive market expectations. However, the possible impact of market risk continues to be rated at a medium risk level because of the importance of the market for the KION Group's business situation and financial performance. As things stand at present, there are no indications of any risks that could jeopardise the Company's continuation as a going concern.

RISK MATRIX



K. Outlook

The forward-looking statements and information given below are based on the Company's current expectations and assessments. Consequently, they involve a number of risks and uncertainties. Many factors, several of which are beyond the control of KION GROUP AG, affect the Company's business activities and profitability. Any unexpected developments in the global economy would result in KION GROUP AG's performance and profits differing significantly from those forecast below. KION GROUP AG does not undertake to update forward-looking statements to reflect subsequently occurring events or circumstances. Furthermore, KION GROUP AG cannot guarantee that future performance and actual profits generated will be consistent with the stated assumptions and estimates and can accept no liability in this regard.

Expected macroeconomic conditions

In the opinion of the International Monetary Fund (IMF), the pace of global economic growth will pick up slightly in 2014. The global economy is expected to grow at a rate of 3.7 per cent and the eurozone at 1.0 per cent. The economic situation in emerging markets is stabilising, and a moderate increase in the growth rate is anticipated in those countries. The forecast for economic conditions is based on the assumption that the eurozone will continue to stabilise, monetary policy will become increasingly more restrictive and be adjusted to reflect the faster pace of growth, and fiscal policy will remain cautious. The Chinese government is not expected to launch any major growth initiatives.

Expected sectoral conditions

The overall market for industrial trucks will continue to depend heavily on economic conditions in key sales markets, with the level of capital investment and the growth in global trade being particularly crucial. In 2013, the global market for industrial trucks expanded by around 7 per cent, reaching a record level of more than one million new trucks ordered. This trend was primarily driven by a recovery of demand in China and North America. Given the positive economic prospects and more optimistic investment climate, the KION Group anticipates a further increase, albeit moderate, in the worldwide market volume in 2014. The major driving forces are likely to be the further stabilisation of demand in western Europe, a sustained uptrend in North America and healthy growth in emerging Asian and eastern European markets. Market expectations are also positive over the longer-term perspective.

Based on current macroeconomic forecasts and in view of the rise in global trade volumes, the KION Group predicts an average annual growth rate (in units) of about 4 per cent for the global market over the next few years and does not expect there to be significant changes in the proportion of total revenue generated by each product segment.

Outlook for KION GROUP AG

As a holding company without any operating activities of its own, KION GROUP AG is indirectly dependent on the earnings and economic performance of its subsidiaries. Given the forecast income from its investments, KION GROUP AG is expecting its net profit for 2014 to be in the low hundreds of millions.

L. Remuneration report

In accordance with statutory requirements and the recommendations of the German Corporate Governance Code as amended 13 May 2013 (DCGK), the remuneration report explains the main features of the remuneration system used for the Executive Board and the Supervisory Board of the Company and also discloses the remuneration paid to the individual members of the Executive Board and the Supervisory Board in return for the work that they carried out on behalf of the Company in 2013.

Executive Board remuneration

Remuneration system

At its meeting held on 25 April 2013, the Supervisory Board of the former KION Holding 1 GmbH adopted a resolution as part of the conversion of the Company into a public limited company to approve the remuneration system for the future Executive Board of KION GROUP AG and fix the remuneration to be paid to the individual members of the Executive Board. This resolution was in line with the Human Resources Committee's recommendation. The Supervisory Board took care not only to ensure compliance with the requirements of the German Stock Corporation Act (AktG) and the DCGK, but also to ensure that the remuneration to be paid to the individual members of the Executive Board was harmonised. Although the Executive Board service contracts were to come into force on

the effective date of the change in legal form, i.e. on 4 June 2013, the new remuneration system was conditional upon KION GROUP AG's successful IPO and therefore only came into force on the day after the first day of trading on the Frankfurt Stock Exchange on 28 June 2013. Up to that point, KION GROUP AG continued to use the remuneration arrangements applicable to the board members of the former KION Holding 1 GmbH and arising from their respective service contracts with the various subsidiaries. The following information therefore provides a brief description of the Executive Board remuneration arrangements initially in force in the period from 4 June to 28 June 2013 and then gives a detailed description of the Executive Board remuneration system applicable since 29 June 2013.

Essential features of the Executive Board remuneration system in the period 4 June to 28 June 2013

In the period between the effective date of the change in the legal form of the Company to a public limited company and the first day of trading in the Company's shares on the Frankfurt Stock Exchange on 28 June 2013, the arrangements applied for the remuneration of the members of the Executive Board remained the same as the arrangements that had applied prior to 4 June 2013 under the service contracts with the various subsidiaries relevant to the persons concerned. The total remuneration paid to the members of the Executive Board in this period comprised a non-performance-related salary and non-performance-related non-cash benefits, performance-related (variable) remuneration and pension entitlements.

Non-performance-related remuneration consisted of a fixed annual salary (basic remuneration) and additional benefits. The fixed annual salary was paid at the end of each month in twelve equal instalments, the last payment being made for the full month in which the Executive Board service contract ended. The additional benefits essentially included use of a company car and the payment of premiums for accident insurance with benefits at a typical market level.

The performance-related remuneration was a variable remuneration component based on performance measurement over one year. It was structured differently for each individual Executive Board member. In the case of Mr Riske and Dr Toepfer, who were employed by KION GROUP GmbH (now KION Material Handling GmbH) prior to the change in legal form of KION Holding 1 GmbH, there was a combined profit-sharing and target-based bonus system based on two performance targets: adjusted earnings before interest, taxes and amortisation (EBITA) and unlevered free cash flow (UFCF). For Mr Knoef, Mr Maurer and Mr Quek, the relevant bonus system was that used by the Group company in which they were a member of the management board up to their appointment to the Executive Board of the Company and that was based on annual financial performance targets of a varying nature weighted according to brand and Group criteria. Achievement of the targets for EBIT (40 per cent weighting), UFCF (also 40 per cent weighting) and revenue (20 per cent weighting) was measured in 2013.

In all bonus systems, the possible range for target achievement was 0 per cent to 200 per cent. If the targets derived from the annual budget were achieved in full, target achievement was 100 per cent. The target achievement levels for each weighted Company target were added together to give the total target achievement.

The pension entitlements consisted of contributions for retirement, invalidity and surviving dependants' benefits. Mr Riske and Mr Knoef participated in a defined benefit scheme funded entirely by the Company. This scheme was a final salary scheme guaranteeing Mr Riske a retirement pension of up to 50 per cent of his final basic salary and Mr Knoef a retirement pension of up to 60 per cent of his final basic salary. Dr Toepfer and Mr Maurer also belonged to defined benefit schemes funded entirely by the Company. The schemes comprised two components fully funded by KION: a fixed basic pension to a maximum amount of €36,000 p.a. for Dr Toepfer and to a maximum amount of €30,000 p.a. for Mr Maurer (the final amount in each case being dependent on the duration of the service contract) and a variable top-up pension based on 12 per cent of basic salary for Dr Toepfer and 9 per cent of basic salary for Mr Maurer, from which a fixed pension component could be calculated by multiplying the amounts concerned by an age-related annuitisation factor each year. Subject to participation in the deferred compensation model offered by the KION Group (KION pension plan),

both Dr Toepfer and Mr Maurer also receive a third component (referred to as the matching employer contribution): they were granted an additional Company contribution to be invested in the KION pension plan (up to a maximum of 6 per cent of basic salary for Dr Toepfer and up to a maximum of 5 per cent of basic salary for Mr Maurer, depending on the amount of deferred compensation); the amount concerned was converted into guaranteed pension capital by multiplying it by an age-dependent annuitisation factor each year. Mr Quek was not entitled to a company pension.

Essential features of the Executive Board remuneration system since 29 June 2013

Since the IPO, the remuneration of the Executive Board of KION GROUP AG has been determined in accordance with the requirements of the AktG and the DCGK. It reflects the size and complexity of the KION Group, its business and financial situation, its performance and future prospects, the normal amount and structure of executive board remuneration in comparable companies and the internal salary structure. The Supervisory Board also took into account the relationship between the Executive Board remuneration and the remuneration paid to senior managers and the workforce of the Company as a whole, including increases over the course of time. Other criteria used to determine remuneration included the remit and work to be carried out by the individual members of the Executive Board. The remuneration system was converted with support from external consultants working independently of the Executive Board and the Company.

The total remuneration now paid to the Executive Board also comprises a non-performance-related salary and non-performance-related non-cash benefits, performance-related (variable) remuneration and pension entitlements. When the variable remuneration structure was defined, the emphasis was on creating a measurement basis covering a number of years, thus providing the members of the Executive Board with an incentive to contribute to the sustained and long-term growth of the Company. The structure also takes into account both positive and negative performance. In addition, the remuneration for all members of the Executive Board is subject to upper limits on the amounts payable, both overall and also in terms of the variable components.

The pension entitlements consist of entitlements in respect of retirement, invalidity and surviving dependants' benefits. The Supervisory Board regularly reviews the structure and appropriateness of Executive Board remuneration.

Non-performance-related remuneration

The Executive Board members of KION GROUP AG receive non-performance-related remuneration in the form of a fixed annual salary (basic remuneration) and additional benefits. The fixed annual salary is paid at the end of each month in twelve equal instalments, the last payment being made for the full month in which the Executive Board service contract ends. The additional benefits essentially comprise use of a company car and the payment of premiums for accident insurance with benefits at a typical market level.

Additional special benefits have been agreed for Mr Quek because he has been sent from Singapore to China on foreign assignment. Mr Quek's remuneration is therefore structured as if he were liable for taxes and social security contributions in Singapore. KION GROUP AG pays the additional taxes and social security contributions that Mr Quek incurs in China. In 2013 the additional amount involved totalled €139 thousand. The additional benefits agreed with Mr Quek also include the cost of trips home to Singapore for Mr Quek and his family, a company car including a driver, rental payments in Xiamen and private health insurance. In 2013, the special additional benefits for Mr Quek amounted to a total of €87 thousand. These special benefits will be granted for as long as Mr Quek's designated place of work is Xiamen or until his service contract with KION GROUP AG ends.

Performance-related remuneration

The performance-related remuneration components consist of a variable remuneration component with a one-year measurement basis and a variable remuneration component with a multiple-year measurement basis in the form of a rolling performance share plan with a three-year term.

One-year variable remuneration

The one-year variable remuneration is a remuneration component linked to the business profitability and productivity of the KION Group in the relevant financial year. Its amount is determined by the attainment of targets based on the following KPIs for the Group: earnings before interest, taxes and amortisation (EBITA), return on capital employed (ROCE), revenue and net debt. They are weighted as follows: 30 per cent for EBITA, 30 per cent for ROCE, 20 per cent for revenue and 20 per cent for net debt. The target values for the financial components are derived from the annual budget and specified by the Supervisory Board.

The possible range for target achievement is 0 per cent to 200 per cent. If the targets derived from the annual budget are achieved in full, target achievement is 100 per cent. The target achievement levels for the weighted Company targets (EBITA, ROCE, revenue and net debt) are added together to give the total target achievement.

The individual performance of the Executive Board members is rated using a discretionary performance multiple with a factor of between 0.8 and 1.2. The factor is determined by the Supervisory Board with reference to attainment of the individual targets defined by the Supervisory Board in a target agreement form at the start of the year. The factor is applied to total target achievement for the budget targets and results in payment of the individual target bonus if the overall target attainment is 100 per cent. The amount paid as one-year variable remuneration is capped at 200 per cent of the target bonus.

In the event that an Executive Board member is not entitled to remuneration for the entire year on which the calculation is based, the remuneration is reduced pro rata temporis.

Multiple-year variable remuneration

The multiple-year variable remuneration component is structured in the form of a performance share plan. At the start of the three-year performance period, a conditional entitlement to a certain target number of performance shares is granted. This number is calculated by dividing the allocation value (in euros) for the particular Executive Board member by the fair value of one performance share at the time of grant. The number of preliminary performance shares defined in this way is adjusted depending on achievement of the two target values – total shareholder return (TSR) for KION shares compared with the STOXX® Europe Total Market Index (TMI) Industrial Engineering index and return on capital employed (ROCE) – over the performance period. Each target has a 50 per cent weighting.

The possible range for target achievement for both elements is 0 per cent to 150 per cent. If KION shares outperform the STOXX® Europe TMI Industrial Engineering index by 10 per cent and the ROCE targets defined each year on the basis of the budget are achieved, total target achievement will be 100 per cent. The amount paid for each tranche is determined by the final number of performance shares multiplied by the price of the Company's shares (average price over the preceding 60 trading days) at the end of the performance period. Depending on achievement of the individual targets defined by the Supervisory Board at the start of the performance period (three-year target agreement form), the Supervisory Board can use a discretionary factor to make a final adjustment to the calculation of the amount to be paid out at the end of the performance period by plus or minus 20 per cent, although the maximum payment may not exceed 200 per cent of the allocation value.

The plan is a cash-settled long-term incentive plan that does not include the right to receive any actual shares.

Under the requirements of German accounting standard (GAS) 17, the total expense arising from share-based payments and the fair value of the performance share plan on the date of granting must be disclosed. As the conditional entitlements under the performance share plan were only granted for the first time in 2013, there are no comparative prior-year figures to disclose.

	Fair value of the performance share plan on the date of grant	Number of performance shares granted ¹	Fair value per performance share on date of grant (long-term incentive)	Total expense of share-based remuneration in 2013
Gordon Riske	€1,500,000	73,710	€20.35	€349,975
Dr Thomas Toepfer	€1,000,000	49,140	€20.35	€233,317
Bert-Jan Knoef	€1,000,000	49,140	€20.35	€233,317
Theodor Maurer	€1,000,000	49,140	€20.35	€233,317
Ching Pong Quek	€830,000	40,786	€20.35	€193,652
Total	€5,330,000	261,916		€1,243,578

¹ The target number of performance shares (PS) is calculated by dividing the allocation value by the fair value of one performance share. In this calculation, the number of performance shares is rounded to the nearest whole number where necessary.

Prior to the planned IPO, Executive Board member Dr Thomas Toepfer was granted a special bonus (to be payable in two tranches) dependent on a successful IPO and subject to the condition that Dr Toepfer remained employed by KION GROUP AG after the IPO for a period of twelve months (for tranche 1) and 18 months (for tranche 2). The amount of the bonus depends on the weighted average price of KION shares in the four weeks immediately preceding the payment of each tranche. On the basis of the share price of €30.73 as at 31 December 2013, the fair value of the bonus as at the reporting date was approximately €1,509 thousand. The pro-rata expense for 2013 is €630 thousand. If, prior to the due dates for the payment of tranche 1 or tranche 2, Dr Toepfer dies, suffers permanent incapacity or is forced to leave the Company without good cause for which Dr Toepfer is responsible, he will remain entitled to payment of this bonus.

Pension entitlements

KION GROUP AG grants its Executive Board members direct entitlement to a company pension plan consisting of retirement, invalidity and surviving dependants' benefits. The defined benefit entitlement for Gordon Riske, the Company's Chief Executive Officer, which had been granted in his original service contract, was transferred to his Executive Board service contract. The benefit amounted to a maximum of 50 per cent of the most recent fixed annual salary after the end of the tenth year of service based on his original service contract. For the other members of the Executive Board, the present value of the previous defined benefit plan was transferred as a starting contribution for new pension arrangements in the form of a defined contribution plan. The new defined contribution plan is structured as a cash balance plan. For each of the ordinary members of the Executive Board, a fixed annual contribution of €150,000 (€124,500 for Mr Quek) will be paid into their pension accounts for the duration of the member's period of service on the Executive Board. Interest is paid on the pension account at the prevailing statutory guaranteed return rate for the life insurance industry (applicable maximum interest rate for the calculation of the actuarial reserves of life insurers pursuant to section 2 (1) German Regulation on the Principles Underlying the Calculation of the Premium Reserve (DeckRV)) until an insured event occurs. If higher interest is generated by investing the pension account, it will be credited to the pension account when an insured event occurs (surplus). The standard retirement age for the statutory pension applies. Once Executive Board members have reached their 62nd birthday, they are entitled to early payment of the pension. In the event of invalidity or death, the contributions that would have been made until the age of 60 are added to the pension account, although only a maximum of ten contributions will be added. When an insured event occurs, the pension is paid as a lump sum or, following a written request, in ten annual instalments.

Termination benefits

In line with the DCGK, all Executive Board service contracts provide for a severance payment equivalent to no more than two years' annual remuneration payable in the event of the contract being terminated prematurely without good cause. The amount of annual remuneration is defined as fixed salary plus the variable remuneration elements, assuming 100 per cent target achievement and excluding non-cash benefits and other additional benefits, for the last full financial year before the end of the Executive Board service contract. If the Executive Board service contract was due to end within two years, the severance payment is calculated pro rata temporis. If a service contract is terminated for good cause for which the Executive Board member concerned is responsible, no payments are made to the Executive Board member in question. The Company does not have any commitments for the payment of benefits in the event of a premature termination of Executive Board contracts following a change of control.

Executive Board members are subject to a post-contractual non-compete agreement of one year. In return, the Company pays the Executive Board member compensation for the duration of the non-compete agreement amounting to 100 per cent of his final fixed salary. Other income of the Executive Board member is offset against the compensation.

In the event that Mr Riske's appointment is not extended for reasons for which he is not responsible and he has not reached the standard retirement age for the statutory pension or in the event that Mr Riske resigns for good cause before the end of his appointment or suffers permanent incapacity after his period of service as a result of sickness, he will receive transitional benefits of €252,000 on the basis of previous contracts. During his current term of office, the amount of the transitional benefits will rise by €12,000 each year up to a maximum amount of €300,000. Severance payments in the event of early termination of his appointment without good cause, compensation for the post-contractual non-compete agreement, pension benefits that Mr Riske receives due to his previous work for other employers and income from other use of his working capacity (with the exception of remuneration for work as a member of a supervisory or advisory board or a board of directors) will be offset against these transitional benefits.

If an Executive Board member suffers temporary incapacity, he will receive for a period of six months a full fixed salary plus the one-year variable remuneration. In the event of temporary incapacity for a further six months, the Executive Board member will receive 80 per cent of his fixed salary, but only up to a point at which the service contract is terminated.

If an Executive Board member ceases to be employed by the Company as a result of death, he or his family members will be entitled to the fixed monthly remuneration for the month in which the service contract ends and for the three subsequent months, but only up to the point at which the service contract would otherwise have come to an end.

Remuneration paid to members of the Executive Board in 2013

The total remuneration paid to the members of the Executive Board amounted to €9,042,742 of which €1,596,318 was accounted for by fixed non-performance-related remuneration components and €7,313,210 by variable one-year and multiple-year performance-related remuneration components. The additional benefits were measured at the value calculated for tax purposes. The total remuneration paid to the individual members of the Executive Board was as follows:

€	Non-performance-based basic remuneration	Other non-performance-based benefits	Performance-based one-year variable remuneration	Performance-based multiple-year share-based variable remuneration	Total
Gordon Riske	447,500	13,513	342,634	1,500,000	2,303,647
Dr Thomas Toepfer	283,649	9,910	204,562	1,870,713	2,368,834
Bert-Jan Knoef	282,062	10,851	179,705	1,000,000	1,472,618
Theodor Maurer	282,062	12,023	185,090	1,000,000	1,479,175
Ching Pong Quek	301,045	86,917	200,506	830,000	1,418,468
Total for 2013	1,596,318	133,214	1,112,497	6,200,713	9,042,742

Any obligations from existing directors service contracts were transferred to KION GROUP AG in a total amount of €2.924.932. Additions to pension provisions pursuant to the German Commercial Code (HGB) came to €2,044,131 in 2013. The present value calculated for accounting purposes amounted to €4,969,063.

€	Additions to pension provisions	Present value of the defined benefit obligation as at 31 Dec. 2013
Gordon Riske	795,157	2,527,342
Dr Thomas Toepfer	223,811	283,284
Bert-Jan Knoef	557,060	1,475,136
Theodor Maurer	235,266	450,464
Ching Pong Quek	232,837	232,837
Total for 2013	2,044,131	4,969,063

Supervisory Board remuneration

Remuneration system

The Supervisory Board's remuneration is defined in article 18 of KION GROUP AG's articles of incorporation. Members of the Supervisory Board receive fixed remuneration plus reimbursement of out-of-pocket expenses. The annual remuneration amounts to €45,000 for ordinary members of the Supervisory Board, €75,000 for the deputy chairman of the Supervisory Board and €105,000 for the chairman of the Supervisory Board.

Additional remuneration is paid for being a member or chairman of a committee, although this does not apply in the case of the Nomination Committee or the Mediation Committee pursuant to section 27 (3) German Codetermination Act (MitbestG). The annual remuneration for members of a committee is €8,000, while the chairman of a committee receives double this amount.

If a member of the Supervisory Board or one of its committees does not hold the position for a full financial year, the remuneration is reduced pro rata temporis.

The members of the Supervisory Board receive an attendance fee of €1,250 per day for meetings of the Supervisory Board and its committees, although they only receive this amount once if they attend more than one meeting on the same day. The Company reimburses each member for any VAT incurred in connection with his remuneration. A D&O insurance policy without an excess has been taken out for the members of the Supervisory Board.

Remuneration paid to members of the Supervisory Board in 2013

The following table shows the breakdown of remuneration paid to each Supervisory Board member:

€	Fixed remuneration	Committee remuneration (fixed)	Attendance fees (SB+committees)	Total
Dr John Feldmann (chairman)	82,273	14,710	23,112	120,096
Joachim Hartig (dep. chairman)	59,125	5,503	22,320	86,948
Holger Brandt	30,233	0.00	12,836	43,069
Dr Alexander Dibelius	35,977	5,503	15,375	56,855
Denis Heljic	29,783	4,903	10,413	45,099
Dr Martin Hintze	0.00	0.00	0.00	0.00
Johannes Huth	44,232	1,539	9,513	55,284
Thilo Kämmerer	35,977	5,503	18,350	59,830
Dr Roland Köstler	22,480	3,104	15,375	40,958
Jiang Kui	44,232	6,029	14,999	65,260
Özcan Pancarci	29,783	0.00	8,925	38,708
Kay Pietsch	35,977	10,407	23,607	69,991
Hans Peter Ring	30,810	9,807	8,925	49,542
Alexandra Schädler	13,351	2,373	2,975	18,699
Silke Scheiber	44,232	770	13,293	58,295
Tan Xuguang	37,879	0.00	1,829	39,708
Hans-Peter Weiß	35,977	0.00	15,275	51,252
Total	612,321	70,152	217,121	899,594

KION GROUP AG did not pay or grant any remuneration or other benefits to members of the Supervisory Board for services provided as individuals, such as consulting or brokerage activities. No advances or loans were granted to members of the Supervisory Board either.

Disclosures relevant to acquisitions, section 289 (4) HGB

Composition of subscribed capital

The subscribed capital (share capital) of KION GROUP AG amounted to €98,900,000 as at 31 December 2013. It is divided into 98,900,000 no-par-value bearer shares. The share capital is fully paid-up. All of the shares in the Company give rise to the same rights and obligations. Each share confers one vote and entitlement to an equal share of the profits. The rights and obligations arising out of the shares are defined by legal provisions. As at 31 December 2013, the Company held 200,000 shares in treasury. The primary intention is to offer these treasury shares to staff as part of an employee share programme, the details of which are currently being prepared.

Restrictions on voting rights or the transfer of shares

There are generally no restrictions with respect to voting rights or the transfer of shares in the Company. In accordance with the legal provisions applicable to bearer shares, all of the shares in the Company can be traded freely.

As at 31 December 2013, KION Management Beteiligungs GmbH & Co. KG (KMB) held shares in the Company on behalf of managers in the Company and its subsidiaries. KMB has made an undertaking to the syndicate banks underwriting the IPO regarding the shares held by KMB for members of the Executive Board of the Company, the Executive Board of KION Material Handling GmbH and the Management Boards of Linde Material Handling GmbH and STILL GmbH at the time the underwriting agreement was signed as part of the IPO. It has undertaken not to dispose of these shares within a period of twelve months from the day after the Company's first day of trading on the stock exchange, i.e. until 29 June 2014. This obligation also includes other securities of the Company, including securities that can be converted into shares in the Company or options that can be exercised or exchanged to obtain shares in the Company. Under this agreement, KMB is not permitted to offer, pledge, allocate, sell or undertake to sell the shares concerned, sell call options or call contracts, buy put options, or grant call options, purchasing rights or subscription rights.

As far as the Executive Board is aware, the two major shareholders in KION GROUP AG, Superlift Holding S.à r.l. (Superlift) and Weichai Power (Luxembourg) Holding S.à r.l. (Weichai Power), have entered into a shareholder agreement in which they have both undertaken to coordinate their voting at the Annual General Meeting of the Company in respect of certain resolutions. Furthermore, the Executive Board understands that Superlift and Weichai have come to an arrangement in the shareholder agreement to grant each other a mutual right of first offer in respect of the shares held by the other shareholder.

KION GROUP AG has no rights arising from the treasury shares that it holds (section 71b AktG).

Direct or indirect shareholdings in the Company that represent more than 10 per cent of the voting rights

As far as the Company is aware, the following companies directly or indirectly held more than 10 per cent of the voting rights in KION GROUP AG as at 31 December 2013:

Superlift with a direct shareholding equivalent to 48.6 per cent of the voting rights

Pursuant to the German Securities Trading Act (WpHG), the shareholding held by Superlift is also deemed to belong to the following companies:

Company	Registered office
KKR & Co. L.P.	Wilmington, USA
KKR 1996 Overseas, Limited	George Town, Cayman Islands
KKR 2006 Fund (Overseas), Limited Partnership	George Town, Cayman Islands
KKR 2006 Limited	George Town, Cayman Islands
KKR Associates 2006 (Overseas), Limited Partnership	George Town, Cayman Islands
KKR Associates Europe II, Limited Partnership	Calgary, Canada
KKR Europe II Limited	George Town, Cayman Islands
KKR European Fund II, Limited Partnership	Calgary, Canada
KKR Fund Holdings GP Limited	George Town, Cayman Islands
KKR Fund Holdings L.P.	George Town, Cayman Islands
KKR Group Holdings L.P.	George Town, Cayman Islands
KKR Group Limited	George Town, Cayman Islands
KKR Management LLC	Wilmington, USA
KKR Partners (International), Limited Partnership	Calgary, Canada
KKR PEI Associates, L.P.	St. Peter Port, Guernsey
KKR PEI GP LIMITED	St. Peter Port, Guernsey

KKR PEI International Holdings GP Ltd.	George Town, Cayman Islands
KKR PEI International Holdings L.P.	George Town, Cayman Islands
KKR PEI Investments, L.P.	St. Peter Port, Guernsey
GS Capital Partners V Employee Fund, L.P.	Wilmington, USA
GS Capital Partners V Employee Funds GP, L.L.C.	Wilmington, USA
GS Capital Partners V Offshore, L.P.	George Town, Cayman Islands
GS Capital Partners V GmbH & Co. KG	Frankfurt am Main, Germany
GS Advisors V, L.L.C.	Wilmington, USA
GSCP V AIV, L.P.	George Town, Cayman Islands
GS Capital Partners V Institutional, L.P.	Wilmington, USA
GS Advisors V AIV, Ltd.	George Town, Cayman Islands
Goldman, Sachs & Co.	New York, USA
Goldman Sachs Group, Inc.	Wilmington, USA

Weichai with a direct shareholding equivalent to 30.0 per cent of the voting rights

Pursuant to WpHG, the shareholding held by Weichai is also deemed to belong to the following companies:

Company	Registered office
Shandong Heavy Industry Group Co., Ltd.	Jinan, People's Republic of China
Weichai Group Holdings Limited	Weifang, People's Republic of China
Weichai Power Co., Ltd.	Weifang, People's Republic of China
Weichai Power Hong Kong	
International Development Co., Ltd.	Hong Kong, People's Republic of China
Other	Domicile
People's Republic of China	Beijing, People's Republic of China

On 18 December 2013, Weichai exercised one of the call options granted to it by Superlift, acquiring with the completion of the purchase after the reporting date a further 3.3 per cent of the shares in KION GROUP AG from Superlift. Weichai therefore now holds 33.3 per cent of the shares in the Company. In addition, Superlift sold 10.7 million shares in KION GROUP AG to institutional investors in January 2014 as part of an accelerated bookbuilding process. Since then, it has held approximately 34.5 per cent of the shares. Since the reporting date, there may have been further changes to the aforementioned shareholdings of which the Company is unaware. As the shares in the Company are bearer shares, the Company only learns about changes to the size of shareholdings if they are notifiable pursuant to the WpHG or other regulations.

Shares with special rights that confer authority to exert control over the Company

There are no shares with special rights that confer the authority to exert control over the Company.

Type of voting right controls in cases where employees hold some of the Company's capital and do not exercise their control rights directly

In connection with the acquisition of the business of the current KION GROUP AG from Linde AG in 2006, a relatively large group of managers and executives in the KION Group were given the opportunity to indirectly acquire shares in KION GROUP AG's legal predecessor, the former KION Holding 1 GmbH, through a limited partnership in KMB. When KION Holding 1 GmbH was transformed into KION GROUP AG, these holdings were exchanged for shares in the new Company. The participants (limited partners) in KMB are free to instruct the programme to sell their shares or to transfer them into their private investment accounts unless lock-up provisions apply because the executives concerned are members of the Executive Board of KION GROUP AG or members of the management board of a consolidated German subsidiary.

At Shareholders' Meetings of KION GROUP AG, KMB is represented either by its general partner, KION Management Beteiligungs GmbH, or by its managing limited partners. Before important resolutions of the Annual General Meeting, these partners must convene a partners' meeting of KMB and obtain the approval of the limited partners with regard to how to vote. The limited partners pass resolutions by simple majority when taking a decision on how they should vote at the Shareholders' Meeting of KION GROUP AG.

Appointment and removal of members of the Executive Board; amendments to the articles of incorporation

Members of the Company's Executive Board are appointed and removed in accordance with the provisions of sections 84 and 85 AktG and section 31 MitbestG. Pursuant to article 6 (1) of the articles of incorporation of the Company, the Executive Board must have a minimum of two members. The Supervisory Board determines the number of Executive Board members. Pursuant to section 84 AktG and section 6 (3) of the Company's articles of incorporation, the Supervisory Board may appoint a Chief Executive Officer and a deputy.

Section 179 (1) sentence 1 AktG requires that amendments to the articles of incorporation be passed by resolution of the Shareholders' Meeting. In accordance with article 23 of the articles of incorporation in conjunction with section 179 (2) sentence 2 AktG, resolutions at the Shareholders' Meeting on amendments to the articles of incorporation are passed by simple majority of the votes cast and by simple majority of the share capital represented in the voting unless a greater majority is specified as a mandatory requirement under statutory provisions. The option to stipulate a larger majority than a simple majority in any other cases has not been exercised in the articles of incorporation.

The Supervisory Board is authorised in article 10 (3) of the articles of incorporation to amend the articles of incorporation provided that such amendments relate solely to the wording.

Authority of the Executive Board to issue or buy back shares

The extraordinary Shareholders' Meeting on 13 June 2013 authorised the Company, in the period up to 12 June 2016, to acquire for treasury up to 10 per cent of all the shares in issue at the time of the resolution or in issue on the date the authorisation is exercised, whichever is the lower. Together with other treasury shares in possession of the Company or deemed to be in its possession pursuant to section 71a et seq. AktG, the treasury shares bought as a result of this authorisation must not exceed 10 per cent of the Company's share capital at any time. The Company may sell the purchased treasury shares through a stock exchange or by means of an offer to all shareholders. It may also sell the shares in return for a non-cash consideration, in particular in connection with the acquisition of a business, parts of a business or equity investments. In addition, the treasury shares may be offered to employees of the Company or of an affiliated company as part of an employee share ownership programme. The treasury shares can also be retired. Share buyback for trading purposes is prohibited.

The authorisation may be exercised on one or more occasions, for the entire amount or for partial amounts, in pursuit of one or more aims, by the Company, by a subsidiary or by third parties for the account of the Company or the account of a subsidiary. At the discretion of the Executive Board, the shares may be bought through the stock exchange, by means of a public offer to buy directed to all shareholders or by means of a public invitation to submit bids.

So far, the Company has only exercised this right when it acquired 200,000 shares between 28 August and 26 September 2013. The intention is to offer these shares to staff at the Company and certain Group companies in 2014 as part of an employee share programme.

The Company did not have any conditional or authorised capital in 2013.

Material agreements that the Company has signed and that are conditional upon a change of control resulting from a takeover bid, and the consequent effects

In the event of a change of control resulting from a takeover bid, certain consequences are set out in the following contracts concluded between Group companies of KION GROUP AG and third parties:

- Covenant agreement dated 15 April 2011 in connection with the €325,000,000 7.875 per cent senior secured notes maturing in 2018, concluded between Deutsche Trustee Company Limited as trustee, KION Finance S.A. and KION Group GmbH (now KION Material Handling GmbH).
- Covenant agreement dated 14 April 2013 in connection with the €450,000,000 6.75 per cent senior secured notes maturing in 2020 and the €200,000,000 senior secured floating rate notes maturing in 2020 of KION Finance S.A., concluded between Deutsche Trustee Company Limited as trustee, KION Finance S.A. and KION Group GmbH (now KION Material Handling GmbH).

In the event that a third party (with the exception of KKR and Goldman Sachs, companies affiliated with them or funds or limited partnerships/partnerships owned by them or that are advised or managed by them) acquires beneficial ownership of more than 50 per cent of all shares in KION GROUP AG, KION GROUP AG will be obliged to submit an offer to acquire the aforementioned debt instruments at a price of 101 per cent of their nominal value. This offer must remain valid for a minimum of 30 days from the date of the change of control.

- Senior facility agreement dated 23 December 2006 (and amended on several occasions thereafter), concluded between KION Group GmbH (now KION Material Handling GmbH) and, among others, the London branch of UniCredit Bank AG

In the event that a third party (with the exception of KKR and Goldman Sachs, companies affiliated with them or funds or limited partnerships/partnerships owned by them or that are advised or managed by them) acquires beneficial ownership of more than 50 per cent of all shares in KION GROUP AG, any loan facilities drawn down would be immediately repayable and any that had not been drawn down would be automatically cancelled.

- KION Material Handling GmbH has entered into an agreement with Volkswagen AG for the supply of internal combustion engines. This agreement includes a provision under which either party may terminate the agreement without notice if there is a change in ownership involving more than 50 per cent of the shares in either case.

Compensation agreements that the Company has signed with the Executive Board members or employees and that will be triggered in the event of a takeover bid

No such agreements have been concluded between the Company and its current Executive Board members or employees.

Cross-reference to the declaration on corporate governance

The declaration on corporate governance pursuant to section 289a HGB has been made available on the website of KION GROUP AG at www.kiongroup.com/comply_statement in the corporate governance report. It includes the comply-or-explain statement in accordance with section 161 AktG, relevant disclosures on corporate management practices extending beyond statutory requirements, a description of the working methods of the Executive Board and the Supervisory Board, and a description of the working methods and composition of the Supervisory Board committees.

Concluding declaration

With respect to the legal transactions and other measures mentioned in the report on relationships with affiliated entities we hereby declare that in each case the Company received appropriate consideration in accordance with the circumstances of which we were aware at the time when the legal transactions were concluded or the measures were taken and that it did not suffer any disadvantages as a result of such measures having been taken.

Wiesbaden, 10 March 2014

The Executive Board

Gordon Riske

Bert-Jan Knoef

Theodor Maurer

Ching Pong Quek

Dr. Thomas Toepfer

KION GROUP AG, WIESBADEN

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

ASSETS

	Notes	31/12/2013	31/12/2012
		€	€
A. NON-CURRENT ASSETS			
Financial assets			
Investments in affiliated companies	[3]	2,007,001,701.43	1,115,932,650.00
B. CURRENT ASSETS			
I. Receivables and other assets [4]			
1. Receivables from affiliated companies		148,558,517.60	28,100.09
2. Other assets		2,671.07	0.00
II. Credit balances with banks [5]			
		7,174.93	193,335,389.74
		148,568,363.60	193,363,489.83
Total assets		2,155,570,065.03	1,309,296,139.83

EQUITY AND LIABILITIES

	Notes	31/12/2013	31/12/2012
		€	€
A. EQUITY			
[6]			
I. Subscribed capital			
Treasury shares		98,900,000.00	500,000.00
Issued capital		-200,000.00	0.00
II. Capital contributions for carrying out the approved capital increase			
		98,700,000.00	500,000.00
		0.00	1,137,784,722.21
III. Capital reserves			
		2,014,270,275.69	348,482,725.00
IV. Distributable profit/accumulated loss			
		34,545,000.00	-186,973,022.52
		2,147,515,275.69	1,299,794,424.69
B. PROVISIONS			
[7]			
1. Retirement benefit obligation		2,585,012.00	0.00
[8]			
2. Other provisions		4,329,106.65	3,763,780.41
		6,914,118.65	3,763,780.41
C. LIABILITIES			
[9]			
1. Trade payables			
		386,868.33	0.00
2. Liabilities to affiliated companies			
		2,636.39	5,737,934.73
3. Other liabilities			
		751,165.97	0.00
		1,140,670.69	5,737,934.73
Total equity and liabilities		2,155,570,065.03	1,309,296,139.83

KION GROUP AG, WIESBADEN**Income statement for the year ended 31 December 2013**

(€)	Notes	2013	2012
1. Other operating income	[10]	17,887,808.17	0.00
2. Personnel expenses	[11]	-6,524,036.43	0.00
3. Other operating expenses	[12]	-20,798,252.92	-11,180,012.33
4. Income from profit-transfer agreements		133,820.69	28,100.09
5. Other interest and similar income	[13]	2,843,595.82	445.51
6. Interest expense and similar charges	[14]	-99,066.11	-27,652,777.76
7. Expenses from the transfer of losses		-2,636.39	-2,004.85
8. Loss from ordinary activities		-6,558,767.17	-38,806,249.34
9. Income taxes		0.00	-34.33
10. Net loss for the year		-6,558,767.17	-38,806,283.67
Appropriation of profit			
Net loss for the year		-6,558,767.17	-38,806,283.67
Loss brought forward		-186,973,022.52	-148,166,738.85
<u>Withdrawals from capital reserves</u>		<u>228,076,789.69</u>	<u>0</u>
Distributable profit/accumulated loss		34,545,000.00	-186,973,022.52

Notes to the financial statements of KION GROUP AG for the year ended 31 December 2013

Basis of presentation

[1] General information on the Company

At the Shareholders' Meeting on 25 April 2013, it was decided to transform KION Holding 1 GmbH, whose registered office is at Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany, into a public limited company with the name KION GROUP AG. Since its formation, KION GROUP AG has had a five-member Executive Board but no employees in an operational capacity. The transformation became legally effective when KION GROUP AG was entered in the commercial register at the Wiesbaden local court under reference HRB 27060 on 4 June 2013. KION GROUP AG is the parent company of the KION Group in Germany. Superlift Holding S.à r.l., Luxembourg, is the parent company of KION GROUP AG.

The separate financial statements of KION GROUP AG have been prepared in accordance with the accounting principles specified for limited companies by section 242 et seq. and section 264 et seq. of the German Commercial Code (HGB) and comply with the provisions of the German Stock Corporation Act (AktG), which apply specifically to entities structured as a public limited company. As a listed company, KION GROUP AG is a large corporation as defined in section 267 (3) and section 264d HGB.

The income statement has been prepared in accordance with the nature-of-expense method pursuant to section 275 (2) HGB.

To improve the clarity of presentation, some items are aggregated in the statement of financial position and income statement and are then separately reported in the notes.

[2] Accounting policies

Financial assets

Investments in affiliated companies included within financial assets are carried at cost.

Impairment losses are recognised for assets that are permanently impaired. If an impairment loss has been recognised in prior years and the reasons for the impairment loss now no longer exist, either as a whole or in part, the impairment loss is reversed, but such that the resulting asset carrying amount is no greater than the acquisition cost of the asset.

Receivables and other assets

Receivables and other assets are carried at cost. Appropriate valuation allowances are recognised for any risks identified when measuring receivables and other assets. The amount of the valuation allowances is based on the probable default risk. Receivables denominated in foreign currency are translated at the middle spot exchange rate on the reporting date as part of the subsequent measurement process:

- the recognition of receivables due after one year or more is in compliance with the HGB principles of prudent revenue recognition, imparity (whereby unrealised losses are recognised, but unrealised gains are not recognised) and the historical cost convention;
- the recognition of receivables due within one year does not take account of the HGB principles of prudent revenue recognition, imparity and the historical cost convention.

Cash on hand and credit balances with banks

Cash and cash equivalents are carried at their nominal amounts. Amounts denominated in foreign currency are translated into euros at the middle spot exchange rate on the reporting date.

Equity

Subscribed capital is carried at its nominal amount.

Retirement benefit obligation

The retirement benefit obligation is calculated in accordance with actuarial principles based on biometric probabilities (modified Heubeck 2005 G mortality tables) using the projected unit credit method. Future estimated increases in salaries and pensions are factored into the calculation of the obligation.

The retirement benefit obligation covers the obligation to pay retirement pensions to former and current employees of KION GROUP AG. The actuarial measurement of the amount required to settle the retirement benefit obligation is based on a number of factors including an annual adjustment of 2.75 per cent in remuneration and 1.75 per cent, or 1 per cent where agreed, in pensions paid. As at 31 December 2013, the discount rate used to discount the defined benefit obligation was 4.90 per cent. This discount rate is the average market discount rate over the past seven years for an assumed maturity of 15 years, as determined and published by Deutsche Bundesbank. The underlying discount rate was published by Deutsche Bundesbank on 31 October 2013 and only varies slightly from the discount rate as at 31 December 2013.

In order to satisfy the pension obligations, appropriate resources are invested in special funds managed by the trustee KION Vorsorge Aktiv e.V. The Company is not permitted any access to these assets. The sole purpose of these assets is to provide security for the rights of individuals to receive pensions from KION GROUP AG. The assets are measured at fair value (market price); the value of the assets is offset against the underlying obligation. If this results in an excess obligation, the excess is recognised under provisions. If the value of the securities (plan assets) exceeds the obligation, an excess of plan assets over pension liabilities is recognised on the assets side of the statement of financial position.

Other provisions

Other provisions are measured such that identifiable risks arising from pending transactions and contingent liabilities are recognised in the financial statements. These provisions are recognised in the amount that would be required to settle future payment obligations, as dictated by prudent business practice. Future increases in prices and costs are factored into the calculation of the amounts if there is sufficient objective evidence that such increases will occur. Provisions with a maturity of more than one year are discounted with a maturity-matched average market discount rate for the past seven years.

Liabilities

Liabilities are carried at their settlement value. Liabilities denominated in foreign currency are translated at the middle spot exchange rate on the reporting date as part of the subsequent measurement process:

- the recognition of liabilities due after one year or more is in compliance with the HGB principles of prudent revenue recognition, imparity and the historical cost convention;
- the recognition of liabilities due within one year does not take account of the HGB principles of prudent revenue recognition, imparity and the historical cost convention.

Notes to the statement of financial position

[3] Non-current assets

	Cost				
	Balance as at 1 Jan 2013	Additions	Disposals	Reclassif- ications	Balance as at 31 Dec 2013
€ thousand					
Financial assets					
Investments in affiliated companies	1,115,933	891,069	0	0	2,007,002
	1,115,933	891,069	0	0	2,007,002

	Cumulative amortisation and impairment				Carrying amounts	
	Balance as at 1 Jan 2013	Additions	Disposals	Balance as at 31 Dec 2013	Balance as at 31 Dec 2013	Balance as at 31 Dec 2012
€ thousand						
Financial assets						
Investments in affiliated companies	0	0	0	0	2,007,002	1,115,933
	0	0	0	0	2,007,002	1,115,933

The increase in financial assets resulted from the contribution to capital reserves of €890,000 thousand at KION Holding 2 GmbH and the addition of shares in Superlift Funding S.à r.l., Luxembourg, worth €1,069 thousand under the capital contribution agreement dated 11 June 2013.

[4] Receivables and other assets

€ thousand	31 Dec 2013	of which due after 1 year or more	31 Dec 2012	of which due after 1 year or more
Receivables from affiliated companies	148,558	0	28	0
Other assets	3	0	0	0
of which receivables from long-term investees and investors	0	0	0	0
of which other assets	3	0	0	0
	148,561	0	28	0

The increase in receivables from affiliated companies was primarily attributable to a non-cash capital contribution from Superlift Holding S.à r.l.. Under the capital contribution agreement dated 11 June 2013, the existing agreement between Superlift Holding S.à r.l., Luxembourg, and Superlift Funding S.à r.l., Luxembourg, for a loan of €100,000 thousand and the interest of €16,985 thousand accrued up to that point was converted to a capital injection in KION GROUP AG.

[5] Cash on hand and credit balances with banks

Credit balances with banks relate to the balances held with KION GROUP AG's commercial bank. The substantial cash balance as at 31 December 2012 resulted from the capital injection from Weichai Power (Luxembourg) Holding S.à r.l., Luxembourg, a subsidiary of Weichai Power Co. Ltd. (referred to below as Weichai Power), which had been paid in on 27 December 2012. In 2013, these funds were forwarded to KION Holding 2 GmbH as part of a contribution to the capital reserves of that company.

[6] Equity

As at 31 December 2013, the Company's share capital amounted to €98,900 thousand and was fully paid up. It was divided into 98,900,000 no-par-value shares. A total of 98,700,000 shares were outstanding as at 31 December 2013, 200,000 treasury shares being held by KION GROUP AG on this date. There were changes to the share capital for the following reasons:

On 27 December 2012, prior to the change of legal form to KION GROUP AG, the Shareholders' Meeting of KION Holding 1 GmbH had approved a resolution to increase the share capital by €779 thousand to €1,279 thousand. The capital increase was not entered in the commercial register until 14 January 2013. In addition, the capital reserves went up by €1,137,006 thousand.

The Shareholders' Meeting on 25 April 2013 approved not only the transformation of the Company involving a change in legal form but also a resolution to increase the share capital by €62,671 thousand to €63,950 thousand from Company funds. KION GROUP AG's transformation and capital increase were entered in the commercial register on 4 June 2013.

On 11 June 2013, the Extraordinary General Meeting of KION GROUP AG resolved to increase the share capital by €4,042 thousand to €67,992 thousand by way of an issue of new shares. The new shares were issued in return for a non-cash capital contribution from Superlift Holding S.à r.l., Luxembourg. The non-cash capital contribution from Superlift Holding S.à r.l. took the form of all shares in Superlift Funding S.à r.l., Luxembourg, together with all rights and duties of Superlift Holding S.à r.l. arising out of the agreement between Superlift Holding S.à r.l. and Superlift Funding S.à r.l. dated 30 September 2009 for a loan of €100,000 thousand (plus accrued interest of €16,985 thousand). The portion of the non-cash capital contribution that exceeded the capital increase (€114,012 thousand) was paid into the capital reserves. The aforementioned capital increase was entered in the commercial register on 19 June 2013.

In addition, the Extraordinary General Meeting on 13 June 2013 approved a further resolution to increase the share capital by €13,683 thousand to €81,674 thousand by way of an issue of new no-par-value bearer shares. Weichai Power subscribed the above shares. The capital increase was entered in the commercial register on 27 June 2013. Capital reserves went up by €314,698 thousand as a result of this capital increase.

The share capital also increased with the issue of shares as part of the IPO. To this end, the Annual General Meeting of KION GROUP AG on 13 June 2013 resolved to increase the share capital of KION GROUP AG by a further €17,226 thousand to a total of €98,900 thousand by issuing new shares. An amount of €396,198 thousand was paid into the capital reserves.

Following the successful IPO, KION GROUP AG initiated preparations for a share-based payment programme to give the employees in the KION Group a greater share in the successful performance of the business. To this end, the Company began to buy back some of its own shares on the stock market from 28 August 2013 onwards, as authorised by the Annual General Meeting on 13 June 2013. By 26 September 2013 it had acquired a total of 200,000 treasury shares at an average price of €27.89. The total cost amounted to €5,578 thousand.

The withdrawals from capital reserves for 2013 are summarised in the following table:

Purpose of withdrawal	Amount (€thousand)
Capital increase from Company's own funds	62,671
Purchase of treasury shares	5,378
Transfer to distributable profit	228,077
Total	296,126

[7] Retirement benefit obligation

The retirement benefit obligation relates to pension entitlements granted to the members of the Executive Board who have been employed by KION GROUP AG since the transformation from KION Holding 1 GmbH.

The fair value of the assets invested by KION Vorsorge Aktiv e.V. shown in the following table was derived from the market prices of the plan assets as at the reporting date.

€ thousand	31 Dec 2013	31 Dec 2012
Settlement value for retirement benefit obligation	4,969	0
Fair value of plan assets invested in special funds	2,384	0
Net amount for retirement benefit obligation	2,585	0
Cost of plan assets invested in special funds	2,381	0

Contributions were made to the cover assets for the first time during the year under review. These contributions amounted to a total of €2,381 thousand. This means that an amount of €3 thousand (2012: €0 thousand) arising from the difference between cost and fair value was subject to a lock-up, KION GROUP AG being prohibited from distributing this amount as a dividend or transferring it under a profit-and-loss transfer agreement.

The expenses arising from unwinding the discount amounted to €102 thousand and the income from the cover assets amounted to €3 thousand. The income and expenses were offset against each other and reported in interest expenses in the income statement (€99 thousand).

In addition, a regular amount is added to the retirement benefit obligation and reported under personnel expenses. In 2013 this amount was €1,942 thousand (2012: €0 thousand).

[8] Other provisions

The breakdown of other provisions is as follows:

€ thousand	31 Dec 2013	31 Dec 2012
Personnel	3,045	0
Outstanding invoices	550	3,764
Other	734	0
	4,329	3,764

The reason for the increase in personnel provisions is that, since its formation, KION GROUP AG has employed five Executive Board members. Consequently, provisions for bonuses and share-based remuneration have been recognised for the first time.

[9] Liabilities

€ thousand	31 Dec 2013	of which due within one year	31 Dec 2012	of which due within one year
Trade payables	387	387	0	0
Liabilities to affiliated companies	3	3	5,738	5,738
Other liabilities	751	751	0	0
of which taxes	551	551	0	0
of which relating to social security	0	0	0	0
	1,141	1,141	5,738	5,738

The liabilities to affiliated companies arose in the year under review as a result of the obligation to transfer losses from KION Holding 2 GmbH. In 2012, the liabilities to affiliated companies had largely comprised the accumulated payments made by KION Material Handling GmbH in respect of costs incurred by KION GROUP AG (formerly KION Holding 1 GmbH).

Notes to the income statement

[10] Other operating income

The other operating income arose from transactions to pass on the IPO expenses to the subsidiaries Linde Material Handling GmbH and KION Material Handling GmbH.

[11] Personnel expenses

The breakdown of personnel expenses is as follows:

€ thousand	2013	2012
Wages and salaries	4,574	0
Social security, post-employment and other employee benefit costs of which in respect of retirement pensions €1,942 thousand (2012: €0 thousand)	1,950	0
	6,524	0

[12] Other operating expenses

Other operating expenses include the following items:

€ thousand	2013	2012
Bank and other charges	9,619	2
Consultancy expenses	6,438	9,726
Auditor fees	2,181	717
Insurance premiums	1,090	0
Other third-party services	451	0
Sundry operating expenses	1,019	735
	20,798	11,180

The other operating expenses were mainly in connection with the IPO and for the most part were charged on to the subsidiaries Linde Material Handling GmbH and KION Material Handling GmbH.

[13] Other interest and similar income

The following table shows the breakdown of other interest and similar income:

€ thousand	2013	2012
Other interest and similar income	2,844	0
of which from affiliated companies	2,645	0

In the first half of 2013, some of the cash derived from the capital injection from Weichai Power was invested, earning interest income in the process. Most of the interest income from affiliated companies was received on a loan to Superlift Funding S.à r.l., Luxembourg.

[14] Interest expense and similar charges

The breakdown of interest expense and similar charges is as follows:

€ thousand	2013	2012
Interest expense and similar charges	99	27,653
of which to affiliated companies	0	0

The decrease in interest expense and similar charges resulted from the conversion to equity of the loan to the shareholder Superlift Holding S.à r.l. on 27 December 2012; interest of 5.5 per cent had been payable on this loan in 2012. The interest expense recognised in 2013 arose from unwinding the discount on the retirement benefit obligation.

[15] Employees

In 2013, KION GROUP AG did not have any employees.

[16] Contingent liabilities

The unsecured guarantees given to the trustees of the four pension plans in the United Kingdom by KION GROUP GmbH (now KION Material Handling GmbH) were replaced with letters of support after KION GROUP AG's successful IPO, as set forth in the original guarantees. In these letters of support, KION GROUP AG undertakes to ensure – provided that certain defined conditions are met – that each employer is always in a financial position to meet its payment obligations under the plan. The likelihood of the guarantee being used is deemed low in view of the position of the individual companies with regard to their current and future financial and earnings situations.

[17] Members of the Executive Board and Supervisory Board

Members of the Executive Board

Gordon Riske, Chief Executive Officer (CEO)

CEO of KION Material Handling GmbH, Wiesbaden

Member of the Executive Board of KION Holding 2 GmbH, Wiesbaden

Member of the Asia Pacific Committee of KION Material Handling GmbH, Wiesbaden

Chairman of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg

Chairman of the Board of Directors of Linde (China) Forklift Truck Co., Ltd., Xiamen, People's Republic of China

Chairman of the Supervisory Board of STILL GmbH, Hamburg

Member of the Executive Board of the non-profit Hertie Foundation, Frankfurt am Main

Non-executive director of Weichai Power Co., Ltd., Weifang, People's Republic of China

Bert-Jan Knoef, member of the Executive Board (since 11 January 2013)

Member of the Executive Board of KION Material Handling GmbH, Wiesbaden

Chief Executive Officer (CEO) and Labour Relations Director of STILL GmbH, Hamburg

Presidente of the Consiglio di Amministrazione of OM Carrelli Elevatori S.p.A., Lainate, Italy

Presidente of the Consiglio di Amministrazione of STILL ITALIA S.p.A., Lainate, Italy

Member of the Advisory Board of STILL GmbH i. L., Ljubljana, Slovenia

Member of the Advisory Board of STILL Gesellschaft m.b.H., Wr. Neudorf, Austria

(until 17 January 2013)

Member of the Advisory Board of STILL KFT, Környe, Hungary (until 30 January 2013)

Member of the Supervisory Board of STILL INTERN TRANSPORT B.V., Hendrik-Ido-Ambacht, Netherlands (until 30 January 2013)

Member of the Advisory Board of STILL POLSKA, Gądko, Poland (until 30 January 2013)

Member of the Advisory Board of Supralift Beteiligungs- und Kommunikationsgesellschaft mbH, Hofheim am Taunus (until 31 December 2013)

Member of the Advisory Board of Supralift GmbH & Co. KG, Hofheim am Taunus (until 31 December 2013)

Member of the Advisory Board of STILL Belgien N.V., Wijnegem (Antwerp), Belgium (until 17 January 2013)

Member of the Supervisory Board of STILL Danmark A/S, Kolding, Denmark (until 17 January 2013)

Member of the Board of Directors of STILL Materials Handling Ltd., Preston, United Kingdom (until 30 January 2013)

Member of the Advisory Board of OOO 'STILL Forkliftrucks', Moscow, Russia (until 1 February 2013)

Theodor Maurer, member of the Executive Board (since 11 January 2013)
 Member of the Executive Board of KION Material Handling GmbH, Wiesbaden
 Chief Executive Officer (CEO) and Labour Relations Director of Linde Material Handling GmbH, Aschaffenburg
 Chairman of the Board of Directors of Linde Material Handling (UK) Ltd., Basingstoke, United Kingdom
 Chairman of the Board of Directors of Linde Heavy Truck Division Ltd., Merthyr Tydfil, United Kingdom
 Member of the Board of Directors of LMH North America Corp., Summerville, USA
 Member of the Board of Directors of Linde (China) Forklift Truck Co. Ltd., Xiamen, People's Republic of China
 Member of the Supervisory Board of Linde Hydraulics Verwaltungs GmbH, Aschaffenburg
 Member of the Comité Consultatif of Fenwick-Linde S.à r.l., Élancourt, France
 Member of the Supervisory Board of Schöler Fördertechnik AG, Rheinfelden

Ching Pong Quek, member of the Executive Board / Chief Asia Pacific Officer (since 11 January 2013)
 Member of the Executive Board / Chief Asia Pacific Officer of KION Material Handling GmbH, Wiesbaden
 Member of the Asia Pacific Committee of KION Material Handling GmbH, Wiesbaden
 Chief Executive Officer of Linde (China) Forklift Truck Corp., Ltd., Xiamen, People's Republic of China
 Member of the Board of KION South Asia Pte Ltd., Singapore, Singapore
 President and CEO of KION Asia Ltd., Hong Kong, People's Republic of China
 Chairman of KION Baoli Forklift Co., Ltd., Jiangsu, People's Republic of China
 Member of the Board of Directors of Voltas Material Handling Pvt. Ltd., Pune, India
 Member of the Board of Directors of Linde Material Handling Asia Pacific Pte., Ltd., Singapore, Singapore
 Chairman of the Board of Directors of Linde Material Handling Hong Kong Ltd., Hong Kong, People's Republic of China

Dr Thomas Toepfer, member of the Executive Board / Chief Financial Officer (CFO)
 Member of the Executive Board of KION Material Handling GmbH, Wiesbaden
 Member of the Executive Board of KION Holding 2 GmbH, Wiesbaden
 Member of the Asia Pacific Committee of KION Material Handling GmbH, Wiesbaden
 Member of the Supervisory Board of STILL GmbH, Hamburg
 Member of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg
 Member of the Executive Board of MPP Verwaltungs GmbH, Wiesbaden
 Member of the Executive Board of MPP Beteiligungs GmbH, Wiesbaden
 Administrador Solidario of Islavista Spain S.A., Barcelona, Spain
 Chairman of the Board of Directors of LMH North America Corp., Summerville, USA
 Member of the Board of Directors of Superlift UK Ltd., Basingstoke, United Kingdom

Klaus Hofer, member of the Executive Board (until 10 January 2013)
 Member of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg (until 10 January 2013)

Supervisory Board

Dr John Feldmann, Chairman of the Supervisory Board
 CEO of the non-profit Hertie Foundation, Frankfurt am Main (until 31 March 2014)
 Chairman of the Supervisory Board of KION Material Handling GmbH, Wiesbaden

Member of the Supervisory Board of Bilfinger SE, Mannheim
 Member of the Supervisory Board of Hornbach Baumarkt AG, Bornheim
 Member of the Supervisory Board of Hornbach Holding AG, Bornheim

Joachim Hartig¹, Deputy Chairman of the Supervisory Board
 Chairman of the European Works Council of KION GROUP AG, Wiesbaden
 Deputy Chairman of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
 Deputy Chairman of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg

Holger Brandt²
 Head of Sales Germany at STILL GmbH, Hamburg
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
 Member of the Supervisory Board of STILL GmbH, Hamburg

Dr Alexander Dibelius
 Chief Executive Officer of Goldman Sachs AG, Frankfurt am Main
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
 Member of the European Management Committee of Goldman Sachs International, London, United Kingdom
 Member of the Board of Directors of OOO Goldman Sachs, Moscow, Russia
 Member of the Board of Directors of OOO Goldman Sachs Bank, Moscow, Russia
 Member of the Shareholder Committee of Xella International S.à r.l., Luxembourg
 Chairman of the Supervisory Board of Wincor Nixdorf AG, Paderborn
 Member of the Supervisory Board of Wincor Nixdorf International GmbH, Paderborn

Denis Heljic¹ (since 12 June 2013)
 Field technician at STILL GmbH, Dortmund, and Deputy Chairman of the Works Council of STILL GmbH, Dortmund plant
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden

Dr Martin Hintze
 Managing Director of Merchant Banking at Goldman Sachs International, London, United Kingdom
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
 Member of the Executive Board of Xella International Holdings S.à r.l., Luxembourg
 Member of the Executive Board of Xella HoldCo Finance S.A., Luxembourg
 Member of the Executive Board of Xella Topco S.à r.l., Luxembourg
 Member of the Executive Board of Xenia S.à r.l., Luxembourg
 Member of the Supervisory Board of LEG Immobilien AG, Düsseldorf

Johannes P. Huth
 Partner at and member of the Executive Committee of Kohlberg Kravis Roberts & Co. Partners LLP, London, United Kingdom
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
 Deputy Chairman of the Supervisory Board of NXP BV, Eindhoven, Netherlands
 Chairman of the Supervisory Board of ProSiebenSat. 1 Media AG, Unterföhring
 Chairman of the Supervisory Board of WMF AG, Geislingen an der Steige

Jiang Kui
 President and Director of Shandong Heavy Industry Group Co., Ltd., Jinan, People's Republic of China

Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
 Director of Shantui Construction Machinery Co., Ltd., Jining, People's Republic of China
 Chairman of the Board of Strong Construction Machinery Co., Ltd., Linyi, People's Republic of China
 Deputy Chairman of the Board of Weichai Holding Group Co., Ltd., Weifang, People's Republic of China
 Director of Weichai Power Co., Ltd., Weifang, People's Republic of China
 Director of Shandong Heavy Industry India Private Ltd., Pune, India
 Director of Weichai Power Hong Kong International Development Co., Ltd., Hong Kong, People's Republic of China
 Member of the Executive Board of Hydraulics Drive Technology Beteiligungs GmbH, Aschaffenburg
 Member of the Supervisory Board of Linde Hydraulics Verwaltungs GmbH, Aschaffenburg

Thilo Kämmerer¹

Trade Union Secretary, IG Metall, Bamberg Administrative Office
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden

Dr Roland Köstler¹ (until 30 September 2013)

Head of Business Law at Hans-Böckler-Stiftung, Düsseldorf (until 31 July 2013)
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden (until 30 September 2013)

Özcan Pancarci¹ (since 12 June 2013)

Chairman of the Plants I & II Works Council, Linde Material Handling GmbH, Aschaffenburg
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
 Member of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg

Kay Pietsch¹

Chairman of the Group Works Council of the KION Group and Chairman of the Works Council of STILL GmbH, Hamburg
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
 Deputy Chairman of the Supervisory Board of STILL GmbH, Hamburg

Hans Peter Ring (since 9 June 2013)

Management consultant, Munich
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
 Member of the Supervisory Board of Elbe Flugzeugwerke GmbH, Dresden
 Member of the Supervisory Board of MAG Europe GmbH, Göppingen
 Member of the Supervisory Board of Fokker Technologies Holding B.V., Papendrecht, Netherlands

Alexandra Schädler¹ (since 2 October 2013)

Trade Union Secretary on the National Executive of the IG Metall union, Frankfurt am Main
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
 Member of the Supervisory Board of Fujitsu Technology Solutions GmbH, Munich

Silke Scheiber

Partner at Kohlberg Kravis Roberts & Co. Partners LLP, London, United Kingdom
 Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
 Member of the Board of Directors of Jungbunzlauer Holding AG, Basel, Switzerland
 Member of the Supervisory Board of WMF AG, Geislingen an der Steige
 Member of the Supervisory Board of Van Gansewinkel Groep B.V., Rotterdam, Netherlands

Tan Xuguang (since 9 June 2013)

Chief Executive Officer and Chairman of the Board of Directors of Weichai Power Co., Ltd., Weifang, People's Republic of China

Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden
Chairman of the Board of Directors of Shandong Heavy Industry Group Co., Ltd., Jinan, People's Republic of China

Chairman of the Board of Directors of Weichai Group Holding Co., Ltd., Weifang, People's Republic of China

Chairman of the Board of Directors of Weichai Heavy Machinery Co., Ltd., Weifang, People's Republic of China

Chairman of the Board of Directors of Shaanxi Heavy-duty Motor Co., Ltd., Xi'an, People's Republic of China

Chairman of the Board of Directors of Shaanxi Fast Gear Co., Ltd., Xi'an, People's Republic of China

Hans-Peter Weiß¹

Chairman of the Plant III Works Council, Linde Material Handling GmbH, Kahl

Member of the Supervisory Board of KION Material Handling GmbH, Wiesbaden

¹ Employee representatives

² Executive representatives

[18] Executive Board and Supervisory Board remuneration

The total remuneration paid to the Executive Board for 2013 amounted to €9,043 thousand (2012: €0 thousand). This consisted of short-term remuneration amounting to €2,842 thousand (2012: €0 thousand) and share-based payments of €6,201 thousand. As at 31 December 2013, no loans or advances had been extended to members of the Executive Board.

The total remuneration paid to the members of the Supervisory Board for the year under review (including value added tax) amounted to €900 thousand (2012: €314 thousand).

The expenses in connection with share-based remuneration amounted to €1,874 thousand (2012: €0 thousand). For further information on the performance share plan, see section 19 KION performance share plan (PSP).

Disclosures regarding the remuneration paid to individual members of the Executive Board and the Supervisory Board can be found in the remuneration report, which forms part of the management report.

[19] KION performance share plan (PSP)

In May 2013, the Company entered into new service contracts with Executive Board members which were contingent on the Company's IPO going ahead. Consequently, they did not come into force until the day after the initial listing on the Frankfurt Stock Exchange on 28 June 2013. The provisions of these new service contracts specify that long-term variable remuneration (the KION GROUP AG performance share plan) is to be introduced so that the remuneration structure is based on the sustainable performance of the Company.

As part of the KION GROUP AG performance share plan, the Executive Board members are allocated virtual shares over a fixed period (two-and-a-half years for the 2013 tranche and three years for all subsequent tranches). The remuneration component measured over the long term is based in equal parts on the total shareholder return (TSR) of KION GROUP AG shares compared with the STOXX® Europe TMI Industrial Engineering index as a measure of market performance, and with return on capital employed (ROCE) as an internal measure. It also depends on the performance of KION GROUP AG shares during the relevant period.

The first performance period for the 2013 tranche ends on 31 December 2015. At the beginning of the performance period, the Executive Board members were granted a total of 0.3 million virtual shares for this tranche with a specific fair value based on an allocation value in euros specified in each Executive Board member's service contract. At the end of the performance period, the number of the virtual shares is amended depending on the degree to which the relevant targets are achieved. The resulting final number of virtual shares multiplied by the smoothed price of KION GROUP AG shares at the end of the performance period determines the amount of cash actually paid. The Supervisory Board can also use a discretionary personal performance factor to adjust the final payment at the end of the performance period by +/- 20 per cent. The maximum amount payable is limited to 200 per cent of the value of the shares allotted to an individual at the grant date. The pro-rata expense calculation based on the fair value of the virtual shares on each valuation date is carried out using Monte-Carlo simulation. The following valuation parameters were used to value the virtual shares on the reporting date:

Measurement parameters	Measurement date
	31 Dec 2013
Expected volatility in KION shares	30.00%
Expected volatility in STOXX® Europe TMI Industrial Engineering index	20.00%
Risk-free interest rate	0.24%
Expected dividends	€0.88
KION share price on measurement date	€30.73
Opening KION share price (60-day average)	€26.64
Opening STOXX® Europe TMI Industrial Engineering index (60-day average)	€204.26
Forecast attainment of the internal ROCE target	100.00%

The historic volatility of shares in similar companies (peer group) was used to determine the volatility of KION shares on which the valuation is based. As at 31 December 2013, the fair value of one virtual share was €23.74 and the total fair value based on 0.3 million virtual shares was €6.2 million on that date. Because the performance period for the 2013 tranche has been set at 30 months, a pro-rata expense of €1.2 million for six months was recognised in 2013.

[20] Membership of a corporate group

The Company is an affiliated company within the meaning of section 271 (2) HGB of its immediate shareholder Superlift Holding S.à r.l., Luxembourg, which prepares consolidated financial statements for the largest number of entities in the KION Group. These consolidated financial statements are published in the Registre de Commerce et des Sociétés, Luxembourg, under reference number B122459.

[21] Total fees paid to the auditors

The total fees paid to the auditors engaged by the Company are not disclosed pursuant to section 285 no. 17 HGB because they are disclosed in the consolidated financial statements of KION GROUP AG, Wiesbaden.

[22] Affiliated companies and equity investments

Pursuant to section 285 no. 11 HGB, shareholdings are disclosed in the list of shareholdings attached to these notes.

[23] Comply-or-explain statement regarding the German Corporate Governance Code (DCGK)

In December 2013, the Executive Board and Supervisory Board of KION GROUP AG submitted their comply-or-explain statement for 2013 relating to the recommendations of the German Corporate Governance Code government commission pursuant to section 161 AktG. The comply-or-explain statement has been made permanently available to shareholders on the website of KION GROUP AG at www.kiongroup.com/comply_statement.

[24] Notifications of voting rights pursuant to section 21 (1) German Securities Trading Act (WpHG)

On January 15, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

The Goldman Sachs Group, Inc., Wilmington, Delaware, USA, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.70% (69,918,991 voting rights). Of this, 40.70% (40,248,991 voting rights) were attributed to The Goldman Sachs Group, Inc. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- Goldman, Sachs & Co.;
- GS Advisors V, L.L.C.;
- GS Capital Partners V Offshore, L.P.;
- GS Capital Partners V GmbH & Co. KG;
- GS Capital Partners V Employee Funds GP, L.L.C.;
- GS Capital Partners V Employee Fund, L.P.;
- GS Advisors V AIV, Ltd.;
- GSCP V AIV, L.P.;
- GS Capital Partners V Institutional, L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to The Goldman Sachs Group, Inc. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

On January 15, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

Goldman, Sachs & Co., New York, New York, USA, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to Goldman, Sachs & Co. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- GS Advisors V, L.L.C.;
- GS Capital Partners V Offshore, L.P.;
- GS Capital Partners V GmbH & Co. KG;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to Goldman, Sachs & Co. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

On January 15, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

1. Weichai Power (Luxembourg) Holding S.à r.l., Luxembourg, Grand Duchy of Luxembourg, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 67.80% (67,054,200 voting rights). Of this, 37.80% (37,384,200 voting rights) were attributed to Weichai Power (Luxembourg) Holding S.à r.l. according to Section 22 para. 2 WpHG and held by Superlift Holding S.à r.l.
2. Weichai Power Hong Kong International Development Co., Ltd., Hong Kong, The People's Republic of China, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 67.80% (67,054,200 voting rights). Of this, 30.00% (29,670,000 voting rights) were attributed to Weichai Power Hong Kong International Development Co., Ltd. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled company:
 - Weichai Power (Luxembourg) Holding S.à r.l.

An additional 37.80% (37,384,200 voting rights) were attributed to Weichai Power Hong Kong International Development Co., Ltd. according to Section 22 para. 2 WpHG and held by Superlift Holding S.à r.l.

3. Weichai Power Co., Ltd., Weifang, Province of Shandong, The People's Republic of China, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 67.80% (67,054,200 voting rights). Of this, 30.00% (29,670,000 voting rights) were attributed to Weichai Power Co., Ltd. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- Weichai Power Hong Kong International Development Co., Ltd.;
- Weichai Power (Luxembourg) Holding S.à r.l.

An additional 37.80% (37,384,200 voting rights) were attributed to Weichai Power Co., Ltd. according to Section 22 para. 2 WpHG and held by Superlift Holding S.à r.l.

4. Weichai Group Holdings Limited, Weifang, Province of Shandong, The People's Republic of China, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 67.80% (67,054,200 voting rights). Of this, 30.00% (29,670,000 voting rights) were attributed to Weichai Group Holdings Limited according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- Weichai Power Co., Ltd.;
- Weichai Power Hong Kong International Development Co., Ltd.;
- Weichai Power (Luxembourg) Holding S.à r.l.

An additional 37.80% (37,384,200 voting rights) were attributed to Weichai Group Holdings Limited according to Section 22 para. 2 WpHG and held by Superlift Holding S.à r.l.

5. Shandong Heavy Industry Group Co., Ltd., Jinan, Province of Shandong, The People's Republic of China, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 67.80% (67,054,200 voting rights). Of this, 30.00% (29,670,000 voting rights) were attributed to Shandong Heavy Industry Group Co., Ltd. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- Weichai Group Holdings Limited;
- Weichai Power Co., Ltd.;
- Weichai Power Hong Kong International Development Co., Ltd.;
- Weichai Power (Luxembourg) Holding S.à r.l.

An additional 37.80% (37,384,200 voting rights) were attributed to Shandong Heavy Industry Group Co., Ltd. according to Section 22 para. 2 WpHG and held by Superlift Holding S.à r.l.

6. The State-owned Assets Supervision and Administration Commission (SASAC) of Shandong People's Government of the People's Republic of China, Jinan, Province of Shandong, The People's Republic of China ('Shandong SASAC'), acting on behalf of the People's Republic of China, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 the People's Republic of China's share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 67.80% (67,054,200 voting rights). Of this, 30.00% (29,670,000 voting rights) were attributed to the People's Republic of China, acting through Shandong SASAC, according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- Shandong Heavy Industry Group Co., Ltd.;
- Weichai Group Holdings Limited;
- Weichai Power Co., Ltd.;
- Weichai Power Hong Kong International Development Co., Ltd.;

- Weichai Power (Luxembourg) Holding S.à r.l.

An additional 37.80% (37,384,200 voting rights) were attributed to the People's Republic of China, acting through Shandong SASAC, according to Section 22 para. 2 WpHG and held by Superlift Holding S.à r.l.

On January 17, 2014, Mr Ross Turner, Great Britain has informed us according to Article 21, Section 1 of the WpHG that via shares his Voting Rights on KION GROUP AG, Wiesbaden, Deutschland, have exceeded the 3% threshold of the Voting Rights on January 07, 2014 and on that day amounted to 4.51% (this corresponds to 4458209 Voting Rights). According to Article 22, Section 1, Sentence 1, No. 6 in connection with sentence 2 of the WpHG, 4.51% of the Voting Rights (this corresponds to 4458209 Voting Rights) is to be attributed to Mr Turner from Pelham Long Short Master Fund Ltd.

On January 17, 2014, Pelham Capital Management LLP, London, Great Britain has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on KION GROUP AG, Wiesbaden, Germany, have exceeded the 3% threshold of the Voting Rights on January 07, 2014 and on that day amounted to 4.51% (this corresponds to 4458209 Voting Rights). According to Article 22, Section 1, Sentence 1, No. 6 of the WpHG, 4.51% of the Voting Rights (this corresponds to 4458209 Voting Rights) is to be attributed to the company from Pelham Long Short Master Fund Ltd.

On January 09, 2014, Pelham Long Short Master Fund Limited, Bermuda, Bermuda has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on KION GROUP AG, Wiesbaden, Deutschland, have exceeded the 3% threshold of the Voting Rights on January 07, 2014 and on that day amounted to 4.51% (this corresponds to 4458209 Voting Rights).

On January 15, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

GS Capital Partners V Employee Funds GP, L.L.C., Wilmington, Delaware, USA, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to GS Capital Partners V Employee Funds GP, L.L.C. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- GS Capital Partners V Employee Fund, L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to GS Capital Partners V Employee Funds GP, L.L.C. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

On July 03, 2013, Morgan Stanley, Wilmington, Delaware, USA has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on KION GROUP AG, Wiesbaden, Deutschland, have fallen below the 3% threshold of the Voting Rights on July 02, 2013 and on that day amounted to 0.03% (this corresponds to 31336 Voting Rights). According to Article 22, Section 1, Sentence 1, No. 1 of the WpHG, 0.03% of the Voting Rights (this corresponds to 31336 Voting Rights) is to be attributed to the company.

On July 03, 2013, Goldman Sachs Group Holdings (U.K.), London, United Kingdom has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on KION GROUP AG, Wiesbaden, Deutschland, have fallen below the 5% and 3% threshold of the Voting Rights on July 02, 2013 and on that day amounted to 0.00% (this corresponds to 0 Voting Rights).

On January 15, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

GS Advisors V, L.L.C., Wilmington, Delaware, USA, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to GS Advisors V, L.L.C. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- GS Capital Partners V Offshore, L.P.;
- GS Capital Partners V GmbH & Co. KG;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to GS Advisors V, L.L.C. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

On January 15, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

GS Advisors V AIV, Ltd., George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to GS Advisors V AIV, Ltd. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled company:

- GSCP V AIV, L.P.;
- GS Capital Partners V Institutional, L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to GS Advisors V AIV, Ltd. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

On January 15, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

GS Capital Partners V Offshore, L.P., George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to GS Capital Partners V Offshore, L.P. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled company:

- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to GS Capital Partners V Offshore, L.P. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

On January 15, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

GS Capital Partners V GmbH & Co. KG, Frankfurt am Main, Germany, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to GS Capital Partners V GmbH & Co. KG according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled company:

- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to GS Capital Partners V GmbH & Co. KG according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

On January 15, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

GSCP V AIV, L.P., George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to GSCP V AIV, L.P. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled company:

- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to GSCP V AIV, L.P. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

On January 15, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

GS Capital Partners V Institutional, L.P., Wilmington, Delaware, USA, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to GS Capital Partners V Institutional, L.P. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled company:

- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to GS Capital Partners V Institutional, L.P. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

On January 15, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

GS Capital Partners V Employee Fund, L.P., Wilmington, Delaware, USA, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to GS Capital Partners V Employee Fund, L.P. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled company:

- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to GS Capital Partners V Employee Fund, L.P. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

On January 14, 2014, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

1. Superlift Holding S.à r.l., Luxemburg, Grand Duchy of Luxemburg, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 2.44% (2,411,423 voting rights) were attributed to Superlift Holding S.à r.l. according to Section 22 para. 1 sentence 1 no. 1 WpHG. An additional 30.00% (29,670,000 voting rights) were attributed to Superlift Holding S.à r.l. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.
2. KKR Management LLC, Wilmington, Delaware, USA, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR Management LLC according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:
 - KKR & Co. L.P.;
 - KKR Group Limited;
 - KKR Group Holdings L.P.;
 - KKR Fund Holdings GP Limited;
 - KKR Fund Holdings L.P.;
 - KKR Europe II Limited;
 - KKR Associates Europe II, Limited Partnership
 - KKR European Fund II, Limited Partnership;
 - KKR 2006 Limited;
 - KKR Associates 2006 (Overseas), Limited Partnership;
 - KKR 2006 Fund (Overseas), Limited Partnership;
 - KKR PEI GP Limited;
 - KKR PEI Associates, L.P.;
 - KKR PEI Investments, L.P.;

- KKR PEI International Holdings GP Ltd.;
- KKR PEI International Holdings L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR Management LLC according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

3. KKR & Co. L.P., Wilmington, Delaware, USA, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR & Co. L.P. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR Group Limited;
- KKR Group Holdings L.P.;
- KKR Fund Holdings GP Limited;
- KKR Fund Holdings L.P.;
- KKR Europe II Limited;
- KKR Associates Europe II, Limited Partnership;
- KKR European Fund II, Limited Partnership;
- KKR 2006 Limited;
- KKR Associates 2006 (Overseas), Limited Partnership;
- KKR 2006 Fund (Overseas), Limited Partnership;
- KKR PEI GP Limited;
- KKR PEI Associates, L.P.;
- KKR PEI Investments, L.P.;
- KKR PEI International Holdings GP Ltd.;
- KKR PEI International Holdings L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR & Co. L.P. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

4. KKR Group Limited, George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR Group Limited according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR Group Holdings L.P.;
- KKR Fund Holdings GP Limited;
- KKR Fund Holdings L.P.;
- KKR Europe II Limited;
- KKR Associates Europe II, Limited Partnership;
- KKR European Fund II, Limited Partnership;
- KKR 2006 Limited;
- KKR Associates 2006 (Overseas), Limited Partnership;
- KKR 2006 Fund (Overseas), Limited Partnership;

- KKR PEI GP Limited;
- KKR PEI Associates, L.P.;
- KKR PEI Investments, L.P.;
- KKR PEI International Holdings GP Ltd.;
- KKR PEI International Holdings L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR Group Limited according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

5. KKR Group Holdings L.P., George Town, Cayman Islands, has informed us according to section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR Group Holdings L.P. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR Fund Holdings GP Limited;
- KKR Fund Holdings L.P.;
- KKR Europe II Limited;
- KKR Associates Europe II, Limited Partnership;
- KKR European Fund II, Limited Partnership;
- KKR 2006 Limited;
- KKR Associates 2006 (Overseas), Limited Partnership;
- KKR 2006 Fund (Overseas), Limited Partnership;
- KKR PEI GP Limited;
- KKR PEI Associates, L.P.;
- KKR PEI Investments, L.P.;
- KKR PEI International Holdings GP Ltd.;
- KKR PEI International Holdings L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR Group Holdings L.P. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

6. KKR Fund Holdings GP Limited, George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR Fund Holdings GP Limited according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR Fund Holdings L.P.;
- KKR Europe II Limited;
- KKR Associates Europe II, Limited Partnership;
- KKR European Fund II, Limited Partnership;
- KKR 2006 Limited;
- KKR Associates 2006 (Overseas), Limited Partnership;

- KKR 2006 Fund (Overseas), Limited Partnership;
- KKR PEI GP Limited;
- KKR PEI Associates, L.P.;
- KKR PEI Investments, L.P.;
- KKR PEI International Holdings GP Ltd.;
- KKR PEI International Holdings L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR Fund Holdings GP Limited according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

7. KKR Fund Holdings L.P., George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR Fund Holdings L.P. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR Europe II Limited;
- KKR Associates Europe II, Limited Partnership;
- KKR European Fund II, Limited Partnership;
- KKR 2006 Limited;
- KKR Associates 2006 (Overseas), Limited Partnership;
- KKR 2006 Fund (Overseas), Limited Partnership;
- KKR PEI GP Limited;
- KKR PEI Associates, L.P.;
- KKR PEI Investments, L.P.;
- KKR PEI International Holdings GP Ltd.;
- KKR PEI International Holdings L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR Fund Holdings L.P. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

8. KKR 1996 Overseas Limited, George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR 1996 Overseas Limited according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR Partners (International), L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR 1996 Overseas Limited according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

9. KKR Partners (International), L.P., Calgary, Canada, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR Partners (International), L.P. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled company:

- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR Partners (International), L.P. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

10. KKR Europe II Limited, George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR Europe II Limited according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR Associates Europe II, Limited Partnership;
- KKR European Fund II, Limited Partnership;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR Europe II Limited according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

11. KKR Associates Europe II, Limited Partnership, Calgary, Canada, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR Associates Europe II, Limited Partnership according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR European Fund II, Limited Partnership;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR Associates Europe II, Limited Partnership according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

12. KKR European Fund II, Limited Partnership, Calgary, Canada, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR European Fund II, Limited Partnership according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled company:

- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR European Fund II, Limited Partnership according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

13. KKR 2006 Limited, George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR 2006 Limited according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR Associates 2006 (Overseas), Limited Partnership;
- KKR 2006 Fund (Overseas), Limited Partnership;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR 2006 Limited according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

14. KKR Associates 2006 (Overseas), Limited Partnership, George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR Associates 2006 (Overseas), Limited Partnership according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR 2006 Fund (Overseas), Limited Partnership;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR Associates 2006 (Overseas), Limited Partnership according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

15. KKR 2006 Fund (Overseas), Limited Partnership, George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR 2006 Fund (Overseas), Limited Partnership according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled company:

- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR 2006 Fund (Overseas), Limited Partnership according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

16. KKR PEI GP Limited, St Peter Port, Guernsey, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR PEI GP Limited according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR PEI Associates, L.P.;
- KKR PEI Investments, L.P.;
- KKR PEI International Holdings GP Ltd.;
- KKR PEI International Holdings L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR PEI GP Limited according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

17. KKR PEI Associates, L.P., St Peter Port, Guernsey, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR PEI Associates, L.P. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR PEI Investments, L.P.;
- KKR PEI International Holdings GP Ltd.;
- KKR PEI International Holdings L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR PEI Associates, L.P. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

18. KKR PEI Investments, L.P., St Peter Port, Guernsey, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR PEI Investments, L.P. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR PEI International Holdings GP Ltd.;
- KKR PEI International Holdings L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR PEI Investments, L.P. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

19. KKR PEI International Holdings GP Ltd., George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR PEI International Holdings GP Ltd. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled companies:

- KKR PEI International Holdings L.P.;
- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR PEI International Holdings GP Ltd. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

20. KKR PEI International Holdings L.P., George Town, Cayman Islands, has informed us according to Section 21 para. (1) WpHG that on January 9, 2014 its share in the voting rights of KION GROUP AG has fallen below the threshold of 75% and on that day amounted to 70.24% (69,465,623 voting rights). Of this, 40.24% (39,795,623 voting rights) were attributed to KKR PEI International Holdings L.P. according to Section 22 para. 1 sentence 1 no. 1 WpHG and held by the following controlled company:

- Superlift Holding S.à r.l.

An additional 30.00% (29,670,000 voting rights) were attributed to KKR PEI International Holdings L.P. according to Section 22 para. 2 WpHG and held by Weichai Power (Luxembourg) Holding S.à r.l.

On September 2, 2013, KION GROUP AG, Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, Germany (ISIN DE000KGX8881, WKN KGX888) has received the following voting rights notifications pursuant to Section 21 para. (1) WpHG:

1. KION Management Beteiligungs GmbH & Co. KG, Wiesbaden, Germany, has informed us according to Section 21 para. (1) WpHG that on August 27, 2013 its share in the voting rights of KION GROUP AG has fallen below the threshold of 3% and on that date amounted to 2.99% (2,953,039 voting rights).
2. KION MPP Verwaltungs GmbH, Wiesbaden, Germany, has informed us according to Section 21 para. (1) WpHG that on August 27, 2013 its share in the voting rights of KION GROUP AG has fallen below the threshold of 3 % and on that day amounted to 2.99% (2,953,039 voting rights). Of this, 2.99% (2,953,039 voting rights) were attributed to KION MPP Verwaltungs GmbH according to Section 22 para. 1 sentence 1 no. 1 WpHG.

On July 03, 2013, Goldman Sachs (UK) L.L.C., Wilmington, Delaware, USA has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on KION GROUP AG, Wiesbaden, Deutschland, have fallen below the 5% and 3% threshold of the Voting Rights on July 02, 2013 and on that day amounted to 0.00% (this corresponds to 0 Voting Rights).

On July 03, 2013, Goldman Sachs International, London, United Kingdom has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on KION GROUP AG, Wiesbaden, Deutschland, have fallen below the 5% and 3% threshold of the Voting Rights on July 02, 2013 and on that day amounted to 0.00% (this corresponds to 0 Voting Rights).

On July 03, 2013, Goldman Sachs Holdings (U.K.), London, United Kingdom has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on KION GROUP AG, Wiesbaden, Deutschland, have fallen below the 5% and 3% threshold of the Voting Rights on July 02, 2013 and on that day amounted to 0.00% (this corresponds to 0 Voting Rights).

On July 03, 2013, Morgan Stanley Bank Aktiengesellschaft, Frankfurt, Germany has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on KION GROUP AG, Wiesbaden, Deutschland, have fallen below the 3% threshold of the Voting Rights on July 02, 2013 and on that day amounted to 0% (this corresponds to 0 Voting Rights).

On July 04, 2013, Morgan Stanley International Holdings Inc., Wilmington, Delaware, USA has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on KION GROUP AG, Wiesbaden, Deutschland, have fallen below the 3% threshold of the Voting Rights on July 02, 2013 and on that day amounted to 0% (this corresponds to 0 Voting Rights).

[25] Proposal for the appropriation of profit

The Supervisory Board and the Executive Board propose to the Annual General Meeting that the distributable profit of KION GROUP AG for the 2013 financial year amounting to €34,545 thousand be appropriated for the payment of a dividend of €0.35 per dividend-bearing share.

Wiesbaden, 10 March 2014

The Executive Board

Gordon Riske

Bert-Jan Knoef

Theodor Maurer

Ching Pong Quek

Dr Thomas Toepfer

List of shareholdings as of December 31, 2013

according to section 285 No. 11 Commercial Code (HGB)

Name	Registered office	Country	Share- holding	Equity, Local GAAP, TEUR	Earnings, Local GAAP, TEUR Note
Affiliated companies					
Domestic					
KION Holding 2 GmbH	Wiesbaden	Germany	100.00%	2,005,331	0 [F]
KION Material Handling GmbH	Wiesbaden	Germany	100.00%	1,573,787	198,176
KION Information Management Services GmbH	Wiesbaden	Germany	100.00%	129	0 [E]
Linde Material Handling GmbH	Aschaffenburg	Germany	100.00%	461,786	0 [E]
BlackForxx GmbH	Stuhr	Germany	100.00%	757	0 [B]
Eisenwerk Weilbach GmbH	Wiesbaden	Germany	100.00%	288	0 [A]
Fahrzeugbau GmbH Geisa	Geisa	Germany	100.00%	7,329	0 [B]
Klaus Pahlke Betriebsführungs-GmbH	Haan	Germany	100.00%	47	1 [1]
Klaus Pahlke GmbH & Co. Fördertechnik KG	Haan	Germany	100.00%	13,600	1,423
KION Financial Services GmbH	Wiesbaden	Germany	100.00%	1,558	0 [A]
KION Warehouse Systems GmbH	Reutlingen	Germany	100.00%	22,670	0 [B]
LMH Immobilien GmbH & Co. KG	Aschaffenburg	Germany	99.64%	29,739	1,379
LMH Immobilien Holding GmbH & Co. KG	Aschaffenburg	Germany	94.00%	1,095	8
LMH Immobilien Holding Verwaltungs-GmbH	Aschaffenburg	Germany	100.00%	29	1
LMH Immobilien Verwaltungs-GmbH	Aschaffenburg	Germany	100.00%	30	1
OM Deutschland GmbH	Hamburg	Germany	100.00%	-2,378	-337 [R]
proplan Transport- und Lagersysteme GmbH	Aschaffenburg	Germany	100.00%	573	0 [F]
Schrader Industriefahrzeuge GmbH & Co. KG	Essen	Germany	100.00%	2,322	1,286
Schrader Industriefahrzeuge Verwaltung GmbH	Essen	Germany	100.00%	76	4 [1]
STILL Financial Services GmbH	Hamburg	Germany	100.00%	1,533	0 [C]
STILL Gesellschaft mit beschränkter Haftung	Hamburg	Germany	100.00%	206,250	0 [A]
Trainingscenter für Sicherheit und Transport GmbH	Bremen	Germany	74.00%	25	0 [1], [5], [D]
Urban-Transporte Gesellschaft mit beschränkter Haftung	Unterschleißheim	Germany	100.00%	3,181	0 [A]
Willenbrock Arbeitsbühnen Beteiligungs-GmbH	Bremen	Germany	74.00%	25	1 [1], [5]
Willenbrock Arbeitsbühnen GmbH & Co. KG	Bremen	Germany	74.00%	400	832 [1], [5]
Willenbrock Fördertechnik Beteiligungs-GmbH	Bremen	Germany	74.00%	40	14 [1], [5]
Willenbrock Fördertechnik Beteiligungs-GmbH	Hannover	Germany	74.00%	31	1 [1], [5]
Willenbrock Fördertechnik GmbH & Co. KG	Bremen	Germany	74.00%	3,600	2,405 [1], [5]
Willenbrock Fördertechnik GmbH & Co. KG	Hannover	Germany	74.00%	2,400	2,362 [1], [5]
Willenbrock Fördertechnik Holding GmbH	Bremen	Germany	74.00%	10,155	3,650 [5]
Foreign					
Lansing Bagnall (Aust.) Pty. Ltd.	Huntingwood	Australia	100.00%	2,193	0 [1]
Linde Material Handling Pty. Ltd.	Huntingwood	Australia	100.00%	38,656	3,666
STILL N.V.	Wijnegem	Belgium	100.00%	7,375	2,203
KION South America Fabricação de Equipamentos para Armazenagem Ltda.	São Paulo	Brazil	100.00%	19,221	2,353
KION Baoli (Jiangsu) Forklift Co., Ltd.	Jiangjiang	China	100.00%	20,121	-2,896
Linde (China) Forklift Truck Corporation Ltd.	Xiamen	China	100.00%	171,418	41,008
WHO Real Estate OÜ	Tallinn	Estonie	74.00%	3	0 [1], [5]
STILL DANMARK A/S	Kolding	Denmark	100.00%	5,493	605
Baoli France SAS	Elancourt	France	100.00%	131	-166 [1]
BARTHELEMY MANUTENTION SAS	Vitrolles	France	87.00%	3,267	1,229
Bastide Manutention SAS	Toulouse	France	100.00%	3,097	684
Bretagne Manutention S.A.	Pacé	France	100.00%	7,868	4,327
FENWICK FINANCIAL SERVICES SAS	Elancourt	France	100.00%	1,834	-199
FENWICK-LINDE S.A.R.L.	Elancourt	France	100.00%	193,835	29,990
KION France SERVICES SAS	Elancourt	France	100.00%	246,356	3,122
LOIRE OCEAN MANUTENTION SAS	Saint-Herblain	France	86.00%	4,817	1,884
Manuchar S.A.	Gond Pontouvre	France	100.00%	3,403	1,485
MANUSOM SAS	Rivery	France	100.00%	921	246
OM PIMESPO FRANCE S.A.S.	Marne la Vallée	France	100.00%	-453	-69 [R]
SAS Société Angoumoisine de Manutention - SAMA	Champniers	France	100.00%	14,887	725
SCI Champ Lagarde	Elancourt	France	100.00%	103	0 [1]
SM Rental SAS	Roissy Charles de Gaulle	France	100.00%	1,826	728
STILL Location Services SAS	Marne la Vallée	France	100.00%	914	45
STILL SAS	Marne la Vallée	France	100.00%	22,416	6,090
URBAN LOGISTIQUE SAS	Elancourt	France	100.00%	1,754	318 [1]
Castle Lift Trucks Ltd.	Basingstoke	U.K.	100.00%	846	1,046 [4]
Creighton Materials Handling Ltd.	Basingstoke	U.K.	100.00%	557	36 [1], [R]
D.B.S. Brand Factors Ltd.	Basingstoke	U.K.	100.00%	0	0 [1], [R]
Affiliated companies					

Name	Registered office	Country	Share- holding	Equity, Local GAAP, TEUR	Earnings, Local GAAP, TEUR Note
Foreign					
Fork Truck Rentals Ltd.	Basingstoke	U.K.	100.00%	365	0 [1], [R]
Fork Truck Training Ltd.	Basingstoke	U.K.	100.00%	0	0 [1], [R]
KION FINANCIAL SERVICES Ltd.	Basingstoke	U.K.	100.00%	3,793	87
Lancashire (Fork Truck) Services Ltd.	Basingstoke	U.K.	100.00%	0	0 [1], [R]
Linde Castle Ltd.	Basingstoke	U.K.	100.00%	6,317	1,273
Linde Creighton Ltd.	Basingstoke	U.K.	100.00%	13,632	4,152
Linde Heavy Truck Division Ltd.	Basingstoke	U.K.	100.00%	3,489	14,159
Linde Holdings Ltd.	Basingstoke	U.K.	100.00%	151,708	11,397
Linde Jewsbury's Ltd.	Basingstoke	U.K.	100.00%	10,061	1,753
Linde Material Handling (UK) Ltd.	Basingstoke	U.K.	100.00%	24,425	1,282
Linde Material Handling East Ltd.	Basingstoke	U.K.	100.00%	1,982	1,446
Linde Material Handling Scotland Ltd.	Basingstoke	U.K.	100.00%	8,915	1,100
Linde Material Handling South East Ltd.	Basingstoke	U.K.	100.00%	3,008	551
Linde Severnside Ltd.	Basingstoke	U.K.	100.00%	8,744	795
Linde Sterling Ltd.	Basingstoke	U.K.	100.00%	17,274	601
McLEMAN FORK LIFT SERVICES LTD.	Basingstoke	U.K.	100.00%	1,720	127 [1]
OM PIMESPO (UK) Ltd.	Basingstoke	U.K.	100.00%	-222	0 [R]
Stephensons Enterprise Fork Trucks Ltd.	Basingstoke	U.K.	100.00%	0	0 [1], [R]
Sterling Mechanical Handling Ltd.	Basingstoke	U.K.	100.00%	1,272	0 [1], [R]
STILL Materials Handling Ltd.	Exeter	U.K.	100.00%	-24,310	-2,487
Superlift UK Ltd.	Basingstoke	U.K.	100.00%	97,636	-27,980
Trifik Services Ltd.	Basingstoke	U.K.	100.00%	0	0 [4], [R]
Urban Logistics (UK) Ltd.	Basingstoke	U.K.	100.00%	515	29 [1]
KION ASIA (HONG KONG) Ltd.	Kwai Chung	Hong Kong	100.00%	27,371	-556
Linde Material Handling Hong Kong Ltd.	Kwai Chung	Hong Kong	100.00%	2,471	749
Voltas Material Handling Pvt. Ltd.	Pune	India	100.00%	11,579	-1,702
Handling & Storage Equipment (Ireland) Ltd.	Walkinstown	Ireland	100.00%	0	0 [1], [R]
Linde Material Handling (Ireland) Ltd.	Walkinstown	Ireland	100.00%	-537	-401
Carest SRL	Lainate	Italy	100.00%	10	-1 [1], [R]
COMMERCIALE CARRELLI S.r.l.	Lainate	Italy	100.00%	437	-46
KION Rental Services S.p.A.	Milan	Italy	100.00%	4,135	-2,884
Linde Material Handling Italia S.p.A.	Buguggiate	Italy	100.00%	16,703	398
Milano Carrelli Elevatori S.r.l.	Monza	Italy	100.00%	5	-9 [1], [R]
OM Carrelli Elevatori S.p.A.	Lainate	Italy	100.00%	51,996	-999
QUALIFT S.p.A.	Verona	Italy	100.00%	957	-140
STILL ITALIA S.p.A.	Lainate	Italy	100.00%	8,162	-78
URBAN LOGISTIKA S.R.L.	Lainate	Italy	100.00%	48	6 [4]
TOO "Linde Material Handling Kazakhstan"	Almaty	Kazakhstan	100.00%	117	-31 [1]
WHO Real Estate UAB	Vilnius	Lithuania	74.00%	-23	-8 [1], [5]
Superlift Funding S.à r.l.	Luxembourg	Luxembourg	100.00%	1,081	20 [5]
Linde Material Handling (Malaysia) Sdn. Bhd.	Shah Alam	Malaysia	100.00%	-	- [5]
STILL Intern Transport B.V.	Hendrik Ido Ambacht	Netherlands	100.00%	17,690	4,980
AUSTRO OM PIMESPO Fördertechnik GmbH	Linz	Austria	100.00%	9,788	-57
Linde Fördertechnik GmbH	Linz	Austria	100.00%	10,217	87
STILL Gesellschaft m.b.H.	Wiener Neudorf	Austria	100.00%	4,673	913
Linde Material Handling Polska Sp. z o.o.	Warsaw	Poland	100.00%	17,770	3,116
STILL POLSKA Spółka z o.o.	Gadki	Poland	100.00%	13,975	2,630
STILL MOTOSTIVUITOARE S.R.L.	Giurgiu	Romania	100.00%	682	20
OOO "Linde Material Handling Rus"	Moscow	Russia	100.00%	4,799	131
OOO "STILL Forklifttrucks"	Moscow	Russia	100.00%	1,968	527
Linde Material Handling AB	Örebro	Sweden	100.00%	48,272	13,440
STILL Sverige AB	Malmö	Sweden	100.00%	1,430	-726
Linde Material Handling Schweiz AG (formerly: Linde Lansing Fördertechnik AG)	Dietlikon	Switzerland	100.00%	13,007	643
STILL AG	Otelfingen	Switzerland	100.00%	7,290	2,366
Linde Material Handling Slovenska republika s.r.o.	Trencin	Slovakia	100.00%	2,301	433
Linde Viljuskari d.o.o.	Belgrade	Serbia	100.00%	108	17
KION South Asia Pte. Ltd.	Singapore	Singapore	100.00%	-8	50
Linde Material Handling Asia Pacific Pte. Ltd.	Singapore	Singapore	100.00%	32,907	1,867
STILL SR, spol. s r.o.	Nitra	Slovakia	100.00%	1,163	249
Linde Vilicar d.o.o.	Celje	Slovenia	100.00%	1,564	167
STILL VILICAR d.o.o.	Ljubljana	Slovenia	100.00%	-1	0 [1]
IBER-MICAR S.L.	Gava	Spain	100.00%	3,102	58 [1]
Islavista Spain S.A.U.	L'Hospitalet de Llobregat	Spain	100.00%	50,126	-4,769
KION Rental Services S.A.U.	L'Hospitalet de Llobregat	Spain	100.00%	3,865	238
Linde Holding de Inversiones, S.R.L.	Pallejá	Spain	100.00%	31,019	-60
Affiliated companies					

Name	Registered office	Country	Share- holding	Equity, Local GAAP, TEUR	Earnings, Local GAAP, TEUR Note
Foreign					
Linde Material Handling Ibérica, S.A.U.	Pallejá	Spain	100.00%	47,294	2,160
STILL, S.A.U.	L'Hospitalet de Llobregat	Spain	100.00%	15,204	-1,253
Linde Material Handling (Pty) Ltd.	Linbro Park	South Africa	100.00%	15,192	93
Linde Material Handling (Thailand) Co., Ltd.	Bangkok	Thailand	100.00%	-	- [5]
Baoli Material Handling Česká republika s r.o.	Teplice	Czech Republic	100.00%	-123	0
Linde Material Handling Česká republika s r.o.	Prague	Czech Republic	100.00%	7,546	3,168
Linde Pohony s r.o.	Český Krumlov	Czech Republic	100.00%	31,889	7,776
STILL ČR spol. s r.o.	Prague	Czech Republic	100.00%	5,715	1,948
Urban Transporte spol. s r.o.	Moravany u Brna	Czech Republic	100.00%	1,773	749 [1]
STILL ARSER İş Makineleri Servis ve Ticaret A.Ş.	Izmir	Turkey	51.00%	-8,577	-4,939 [5]
TOV "Linde Material Handling Ukraine"	Kiev	Ukraine	100.00%	783	-261 [1]
Linde Magyarország Anyagmozgatási Kft.	Dunaharaszti	Hungary	100.00%	1,019	-343
STILL Kft.	Környe	Hungary	100.00%	1,306	382
Linde Material Handling North America Corp.	Summerville	United States	100.00%	655	3,360

Participations

Domestic

Beuthauser-Bassewitz GmbH & Co. KG	Hagelstadt	Germany	25.00%	10,088	2,518 [1]
Eisengießerei Dinklage GmbH	Dinklage	Germany	50.00%	2,139	-691
Hans Joachim Jetschke Industriefahrzeuge (GmbH & Co.) KG	Hamburg	Germany	21.00%	4,953	2,853 [1]
JETSCHKE GmbH	Hamburg	Germany	22.00%	70	3 [4]
Linde Leasing GmbH	Wiesbaden	Germany	45.00%	37,029	7,723 [1]
Linde Hydraulics GmbH & Co. KG	Aschaffenburg	Germany	30.00%	390,408	-3,858 [3]
Linde Hydraulics Verwaltungs GmbH	Aschaffenburg	Germany	30.00%	26	1 [3]
MV Fördertechnik GmbH	Blankenhain	Germany	25.00%	1,184	227 [1]
Pelzer Fördertechnik GmbH	Kerpen	Germany	24.96%	17,306	1,258 [1]
Supralift Beteiligungs- und Kommunikationsgesellschaft mbH	Hofheim am Taunus	Germany	50.00%	19	0 [1]
Supralift GmbH & Co. KG	Hofheim am Taunus	Germany	50.00%	811	6

Foreign

Linde High Lift Chile S.A.	Santiago de Chile	Chile	45.00%	14,640	1,614 [1]
Labrosse Equipement S.A.	Saint-Peray	France	34.00%	7,556	1,793 [2]
Normandie Manutention S.A.	Le Grand Quevilly	France	34.00%	19,398	4,033 [1]
Chadwick Materials Handling Ltd.	Corsham	U.K.	48.00%	1,256	-17 [1]
EUROPA CARRELLI S.R.L.	Bastia Umbra	Italy	40.00%	494	-19 [1]
TPZ Linde Vilicari Hrvatska d.o.o.	Zagreb	Croatia	20.00%	192	87 [1]
Nordtruck AB	Örnsköldsvik	Sweden	25.00%	632	291 [4]
Carretilas Elevadoras Sudeste S.A.	Murcia	Spain	38.53%	4,014	289 [1]
CAYSA MANUTENCION S.L.	Valladolid	Spain	46.71%	143	-1 [1]
JULI Motorenwerk s.r.o.	Moravany	Czech Republic	50.00%	24,713	4,790
Motorové závody JULI CZ s r.o.	Moravany	Czech Republic	50.00%	8	0 [1]

[1] Financial figures as of December 31, 2012

[2] Financial figures as of June 30, 2012

[3] Financial figures as of short year from October 01, 2012 to December 31, 2012

[4] Last provided financial statement

[5] New during 2013

[A] Profit and loss transfer agreement with Linde Material Handling GmbH

[B] Profit and loss transfer agreement with STILL Gesellschaft mit beschränkter Haftung

[C] Profit and loss transfer agreement with KION Financial Services GmbH

[D] Profit and loss transfer agreement with Willenbrock Fördertechnik Holding GmbH

[E] Profit and loss transfer agreement with KION Material Handling GmbH

[F] Profit and loss transfer agreement with KION GROUP AG

[R] Dormant company

Independent Auditors' Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of KION GROUP AG, Wiesbaden/Germany, for the period from 1 January to 31 December 2013. The maintenance of the books and records and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a sample basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of KION GROUP AG, Wiesbaden/Germany, comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main/Germany, 10 March 2014

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Crampton
Wirtschaftsprüfer
(German Public Auditor)

Signed: J. Löffler
Wirtschaftsprüfer
(German Public Auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles for financial reporting, the annual financial statements give a true and fair view of the financial position and financial performance of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Wiesbaden, 10 March 2014

The Executive Board

Gordon Riske

Bert-Jan Knoef

Theodor Maurer

Ching Pong Quek

Dr Thomas Toepfer